



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

December 19, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR SUBLEASE
CHIEF ADMINISTRATIVE OFFICE – WASHINGTON, D.C., OFFICE
25 MASSACHUSETTS AVENUE, N.W., WASHINGTON, D.C.
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached five-year sublease with National Association of Counties (NACo), Sublessor, for the occupancy of 1,228 rentable square feet of office space for the Chief Administrative Office (CAO) Washington, D.C. Office at 25 Massachusetts Avenue, N.W., Washington, D.C., at an initial annual base rental cost of \$63,242. The expenses associated with the County's occupancy are 100 percent net County cost.
2. Authorize the CAO to implement the project described in this letter. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the improvements by the Sublessor and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since July, 1998, the CAO has housed staff in 1,105 rentable square feet of office space rented from the NACo at 440 First Street, N.W., Washington, D.C. The County's Washington, D.C. office is responsible for leading the County's advocacy efforts, including directing staff and contract representatives, and coordinating the advocacy activities of County departments and affiliates.

The County has benefited from the existing office location because of its close proximity to numerous congressional offices and Federal buildings. Currently, the three assigned CAO staff have access to NACo staff and conference rooms as well as technical and computer support services, which has proven to be a cost effective and efficient method of managing operations.

The existing sublease with NACo expires February 10, 2007, and the building ownership has notified tenants that no long-term extensions of existing leases will be renewed due to the sale of the building. Accordingly, the County proposes to move with NACo into a recently constructed building located at 25 Massachusetts Avenue, N.W., Washington, D.C.

The new facility is located within close proximity to Federal governmental facilities, the Senate and House of Representatives. By co-locating with NACo, the County will continue to take advantage of existing benefits associated with the Washington, D.C. office's adjacency to NACo without an interruption in legislative advocacy operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan contains goals that we provide organizational effectiveness and ensure that service delivery systems are efficient, effective and goal oriented (Goal 3) and that we strengthen the County's fiscal capacity (Goal 4). In this case, the proposed lease supports these goals with suitably located office space with appropriate workspace for the CAO.

FISCAL IMPACT/FINANCING

The proposed sublease will provide 1,228 rentable square feet of office space. The increase in rentable space is due to a larger building load factor. The useable square footage is slightly less than the current facility. The initial base monthly rent will be \$5,270 per month, or \$63,242 annually.

	EXISTING SUBLEASE 440 First Street, N. W., Washington, D.C.	PROPOSED SUBLEASE 25 Massachusetts Avenue, N.W., Washington, D.C.	CHANGE
Area (rentable sq. ft.)	1,105	1,228	+ 123
Term	12/01/03 to 02/10/07 (38 months)	Five years (60 months) upon Board adoption and acceptance	+ 22 months
Annual Rent	\$37,395 or \$33.84/sq. ft., full-service gross	\$63,242 or \$51.50/sq. ft., full-service gross	+ \$26,029 or \$17.66/sq.ft.
Tenant Improvements (in Base Rent)	N/A	\$70,610 or \$57.50/sq.ft.	+ \$70,610
Change Order	None	\$15,000	+ \$15,000
Parking	3 permits	Option to obtain one permit	- 2 permits
Cancellation	After 3 years	None	No cancellation
Option to Renew	One, for remainder of master lease term	One 5 year term	+ 5 years
Rental Adjustment	2.5% annual increase + pro rata share of operating expense and property tax increases.	1.7% annual increase + pro rata share of operating expense and property tax increases.	- 0.8%

This is a full-service sublease whereby the sublessor is responsible for operating costs associated with the County's occupancy. The annual rental rate of \$51.50 per square foot is subject to pre-determined annual increases of 1.7 percent for the five-year term of the sublease. The CAO has three staff in the existing office and requires only two parking spaces. Although the lease provides the County with the right to obtain only one parking permit, the landlord has indicated that two are available; therefore, the CAO will purchase the two parking permits in the new building which will be paid through the CAO Operations Budget.

Sufficient funding for the proposed lease is included in the 2006-07 Rent Expense budget and will be billed back to the CAO. Sufficient funding is available in the CAO operating budget to cover the projected lease costs. The rental cost for the CAO is 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed sublease will serve as office space for the Intergovernmental Relations Branch of the CAO, and will provide 1,228 rentable square feet of office space and access to one parking permit. The lease contains the following provisions:

- Five-year term commencing after completion of the improvements by the Lessor and acceptance by the County, estimated to be February 1, 2007;
- A full-service gross basis with the Lessor responsible for all operational and maintenance costs;
- A Tenant Improvement allowance of \$70,610, or \$57.50 per square foot, included in the rental rate for improvement of the County's office space;
- An alteration paragraph allowing for change orders during construction includes hard construction, telephone, data and low voltage to be provided by NACo and is estimated to cost approximately \$15,000 which may be amortized over the term of the lease or paid lump sum at the County's option;
- One five-year option to extend the sublease at the same terms and conditions.

The CAO Real Estate Division staff conducted a survey within the project area to determine the cost of comparable space. Based upon said survey, staff has established that the rental range for similarly sized space is between \$50.00 and \$60.00 per square foot per year, full-service gross. Thus, the annual rental rate of \$51.50 full-service gross represents a rate within the market range for the area. There are no other County-owned or leased facilities in Washington, D.C.

ENVIRONMENTAL DOCUMENTATION

As the subject facility is located outside of California, the California Environmental Quality Act (CEQA) is not applicable to this transaction.

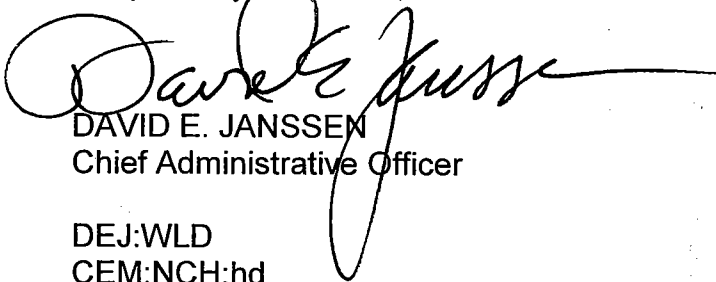
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed sublease will provide the necessary office space for this County requirement.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CEM:NCH:hd

Attachments (3)

c: Chief Administrative Office
Auditor-Controller
County Counsel

CHIEF ADMINISTRATIVE OFFICE – INTERGOVERNMENTAL RELATIONS
25 MASSACHUSETTS AVENUE, N.W., WASHINGTON, D.C.
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² This is the only space adjacent to NACo and space is not divisible.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?			X
G	Was build-to-suit or capital project considered? Space requirement does not meet requirement to consider these types of projects.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located (with the National Association of Counties).			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval? This is a newly constructed building and does not require seismic review.		X	
	¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

AGREEMENT OF SUBLEASE

THIS AGREEMENT OF SUBLEASE (the "Sublease") is made as of _____, 2006, by and between NATIONAL ASSOCIATION OF COUNTIES, a Delaware not-for-profit corporation (the "Sublessor") having an office at 440 First Street, N.W., Washington, D.C. 20001, Attn: Executive Director, and Los Angeles County, a body corporate and politic (the "Sublessee") having an office at 222 S. Hill Street, 3rd Floor, Los Angeles, CA 90012.

WITNESSETH:

WHEREAS, pursuant to the Office Lease Agreement dated as of May 12, 2006, as amended by First Amendment to Office Lease Agreement dated May 15, 2006, by and between 25 Massachusetts Avenue Property LLC, a Delaware limited liability company, as landlord (the "Landlord"), and Sublessor, as tenant (collectively, the "Lease"), Landlord leased to Sublessor certain office space (the "Prime Lease Premises") on the fifth (5th) floor in the building located at 25 Massachusetts Avenue, N.W., Washington, D.C. 20001-1431 and known as Republic Square (the "Building"); and

WHEREAS, Sublessor desires to sublease to Sublessee, and Sublessee desire to sublease from Sublessor, certain space in the Prime Lease Premises, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Subleasing of the Premises. Sublessor hereby subleases to Sublessee and Sublessee hereby subleases from Sublessor that certain office space in the Prime Lease Premises, as depicted on the plan attached hereto as Exhibit A, known as Suite 560, subject to any modifications thereto required by any governmental authority in connection with the obtaining of all permits and approvals required in connection with the work to be performed therein by Sublessor, deemed for all purposes of this Sublease to be One Thousand Two Hundred Twenty-Eight (1,228) rentable square feet (the "Premises"), upon and subject to all of the terms, covenants, rentals and conditions hereinafter set forth. Sublessee acknowledges that an emergency egress door shall be located in the Premises, and other subtenant(s) of Sublessor shall have the right to exit through these doors, and through the Premises, in the event of emergency.

2. Term.

(a) This Sublease shall be in full force and effect from the date it has been executed by Sublessor and Sublessee and consented to by Landlord. The term (the "Term") of this Sublease shall commence on the Lease Commencement Date, as defined in the Lease (the "Commencement Date"), and expire on the last day of the sixtieth (60th) full calendar month

thereafter (the "Expiration Date"), unless sooner terminated as hereinafter provided. Based on the Landlord's representations to Sublessor, Sublessor anticipates that the Commencement Date shall be on or about January 1, 2007; provided, however, that Sublessor shall have no liability whatsoever, and this Sublease shall not be rendered void or voidable, if the Commencement Date does not occur on such date. After the Commencement Date is determined, Sublessor may deliver to Sublessee a certificate confirming such date.

(b) As used in this Sublease, the term "Lease Year" shall have the meaning set forth in this subsection. The first Lease Year of the Term shall commence on the Commencement Date and terminate on the last day of the twelfth (12th) full calendar month after such Commencement Date. Each subsequent Lease Year shall commence on the date immediately following the last day of the preceding Lease Year and shall continue for a period of twelve (12) full calendar months, except that the last Lease Year of the Term shall terminate on the date this Sublease expires or is otherwise terminated.

(c) Sublessor hereby grants to Sublessee the right, exercisable at Sublessee's option, to renew the term of this Sublease for one (1) term of five (5) years and one month (the "Renewal Term"). If exercised, and if the conditions applicable thereto have been satisfied, the Renewal Term shall commence immediately following the end of the initial Lease Term. The right of renewal herein granted to Sublessee shall be subject to, and shall be exercised in accordance with, the following terms and conditions:

(i) Sublessee shall exercise its rights with respect to the Renewal Term by giving Sublessor written notice thereof by letter from Sublessee's Chief Administrative Office, not earlier than the first day of the last Lease Year of the initial Term (the "Renewal Notice"). All then-current terms and conditions of this Sublease shall continue to apply during the Renewal Term, and the base rent shall be as set forth below for the Renewal Term.)

(ii) If the Renewal Notice is not given timely, then Sublessee's rights of renewal pursuant this Section 2(c) shall lapse and be of no further force or effect.

(iii) If a material default has occurred under this Sublease (which default continued past any applicable notice and cure periods) on or before the date the Renewal Notice is given to Sublessor or at any time thereafter prior to commencement of the Renewal Term, then, at Sublessor's option, the Renewal Term shall not commence and the term of this Sublease shall expire at the expiration of the initial Term.

(iv) Landlord, through its consent to this Sublease, hereby consents to the Renewal Term if exercised in accordance with the terms of this Section 2(c).

3. Rent.

(a) During the Term, Sublessee shall pay to Sublessor, in lawful money of the United States, the annual base rent ("Annual Base Rent"), payable in equal monthly installments (the "Monthly Base Rent"). Annual Base Rent shall be calculated, with respect to each Lease Year, as the product of the Rent Per Square Foot, as set forth below, multiplied by the number of square feet of rentable area in the Premises, as set forth above. All such Monthly Base Rent is to be paid in advance, on the first (1st) day of each month during the Term, at the office of

79 Sublessor, or such other place as Sublessor may designate, without any abatement, set-off or
80 deduction of any kind whatsoever. Simultaneously with Sublessee's execution and delivery of
81 this Sublease, Sublessee shall pay the first installment of Monthly Base Rent, which Sublessor
82 shall credit toward the first full month's rent due to Sublessor hereunder. If the Commencement
83 Date is a date other than the first day of a month, rent for the period commencing with and
84 including the Commencement Date and ending on and including the day prior to the first day of
85 the following month shall be prorated at the rate of one-thirtieth (1/30th) of the Monthly Base
86 Rent per day and shall be due and payable on the Commencement Date.

<u>Lease Year</u>	<u>Rent Per Square Foot</u>
1	\$51.50
2	\$52.38
3	\$53.28
4	\$54.21
5	\$55.17
If Sublessee elects to renew this Sublease for the Renewal Term	
6	\$57.67
7	\$58.72
8	\$59.80
9	\$60.91
10	\$62.05
11	\$63.22

87
88 (b) All amounts payable by Sublessee to Sublessor pursuant to this Sublease
89 shall be deemed and constitute rent and, in the event of any non-payment thereof and after the
90 lapse of any applicable grace period, Sublessor shall have all of the rights and remedies provided
91 herein, in the Lease, and at law or in equity for non-payment of rent. Sublessee's obligation to
92 pay rent hereunder shall be on account of the period from and after the Commencement Date and
93 shall survive the Expiration Date or sooner termination of this Sublease.

94 (c) Effective from and after January 1, 2008, Sublessee shall pay to Sublessor
95 as additional rent (i) Sublessee's Proportionate Share of the difference between Operating
96 Charges (as defined in the Lease) payable by Sublessor under the Lease with respect to the
97 applicable calendar year, and Operating Charges paid by Sublessor under the Lease with respect

to calendar year 2007, and (ii) Sublessee's Proportionate Share of the difference between Real Estate Taxes (as defined in the Lease) payable with respect to the applicable calendar year, and Real Estate Taxes paid by Sublessor under the Lease with respect to calendar year 2007, all as and when any payments on account of such items become payable by Sublessor to Landlord. The term "Sublessee's Proportionate Share" shall mean the result obtained by multiplying one hundred percent (100%) by a fraction, the numerator being the number of rentable square feet in the Premises and the denominator being the number of rentable square feet in the Prime Lease Premises.

4. Care, Surrender and Restoration of the Premises.

(a) Without limiting any other provision of this Sublease or the Lease, Sublessee shall take good care of the Premises, suffer no waste or injury thereto and shall comply with all laws, orders and regulations which are imposed on Sublessor, as tenant under the Lease, and are applicable to the Premises and/or Sublessee's use thereof. Upon the Expiration Date or sooner termination of this Sublease, Sublessee shall quit and surrender the Premises to Sublessor in the condition such Premises were in on the Commencement Date, broom clean, in good order and condition, ordinary wear and tear excepted.

(b) Upon the Expiration Date or sooner termination of this Sublease, Sublessee shall remove from the Premises at its sole expense all of its personal property. Upon removal of Sublessee's property from the Premises, Sublessee shall, at its sole expense, promptly repair and restore the Premises to the condition existing prior to the placement of such personal property upon the Premises and repair any damage to the Premises and/or the Building related to such removals, so as to restore the Premises to the condition required under subsection (a) above, or, at Sublessor's election, as may otherwise be required under the Lease. All property permitted or required to be removed by Sublessee upon the Expiration Date or sooner termination of this Sublease remaining on the Premises after such Expiration Date or sooner termination shall be deemed abandoned and may, at the election of Sublessor, either be retained as Sublessor's property or may be removed from the Premises by Sublessor, at Sublessee's expense. Any such expenses shall be paid by Sublessee to Sublessor upon demand therefor.

5. Use. Sublessee shall use and occupy the Premises, subject to the terms of the Lease, solely for general office use, and for no other purpose.

6. Incorporation of Terms of Lease. The terms, provisions, covenants, stipulations, conditions, rights, obligations, remedies and agreements of the Lease are incorporated into this Sublease by reference and made a part hereof as if herein set forth at length, and shall, as between Sublessor and Sublessee (as if they were the Landlord and Tenant, respectively, under the Lease and as if the Premises being sublet hereby were the premises demised under the Lease), constitute the terms of this Sublease, including without limitation, the late payment fee and interest on past due rent, except to the extent that they do not expressly relate to the Premises or are expressly inapplicable to, or expressly modified or eliminated by, or otherwise addressed by, the terms of this Sublease. Notwithstanding the foregoing provisions of this Sublease to the contrary, it is expressly understood and agreed that Sections 3.1(b), 3.2, 3.5, 3.6, 4.3, 9.4, 15.2(b), 21.3, Articles XI and XXVI of the Lease, and Exhibit B (Leasehold Improvements) of the Lease shall not be applicable with respect to this Sublease or the Premises. Sublessor and

Sublessee each agree to observe and be bound by each and every covenant, condition and provision of the Lease insofar as any such covenant, condition or provision affects the Premises or Sublessee's use thereof. Sublessee acknowledges that it has reviewed and is familiar with the Lease, and Sublessor represents that the copy of the Lease attached hereto as Exhibit B is a true, correct and complete copy of the Lease.

7. Covenants with Respect to the Lease. Except as otherwise expressly provided herein, all acts to be performed and all of the terms and provisions to be observed by Sublessor with respect to the Premises, as Tenant under the Lease, shall be performed and observed by Sublessee. Sublessee covenants and agrees that Sublessee shall not do anything that would constitute a default under the Lease or omit to do anything that Sublessee is obligated to do under the terms of this Sublease so as to cause a default under the Lease.

8. Utilities and Services. Notwithstanding anything to the contrary contained in this Sublease, Sublessor shall not be obligated to perform for Sublessee any services of any nature whatsoever or furnish to Sublessee or the Premises any utilities of any nature whatsoever, including without limitation, heat, electricity, air conditioning, elevator service, cleaning, window washing or trash removal services, however, Sublessor shall exercise reasonable efforts to obtain such utilities and services for the Premises from the Landlord pursuant to and in accordance with the terms of the Lease. Sublessee shall be responsible for any additional costs incurred by Sublessor in connection with this Sublease, whether due to extra services provided to Sublessee or otherwise.

9. [Intentionally Omitted]

10. Parking. During the Term hereof, Sublessee shall have the right to purchase and use, in common with other tenants of the Building and subject to and in accordance with the terms of the Lease, one (1) parking space in the Parking Facility. Sublessee shall not have any right to designate any parking spaces for reserved parking or use any parking spaces designated for Sublessor's use as reserved parking.

11. Representations and Warranties; Broker.

(a) Each party represents and warrants to the other that it has the power and authority to enter into this Sublease, and that this Sublease is the valid and binding obligation of such party and is enforceable against it in accordance with its terms.

(b) Sublessor and Sublessee represent and warrant to each other that neither has dealt with any broker in connection with this Sublease other than Trammell Crow Services, Inc., acting as Sublessor's broker (the "Broker"). Sublessee shall indemnify and hold Sublessor harmless from and against any claim for brokerage or other commissions asserted by any broker, agent or finder employed by Sublessee or with whom Sublessee has dealt other than the Broker. Sublessor shall pay the Broker a commission in connection with this Sublease pursuant to a separate written agreement between Sublessor and the Broker.

12. Indemnification. Sublessee agrees to indemnify Sublessor and Landlord (Sublessor and Landlord are herein collectively referred to as the "Indemnified Party") against and hold each Indemnified Party harmless from any loss, cost, liability or expense (including,

without limitation, reasonable attorneys' fees and related disbursements) incurred by such Indemnified Party by reason of (a) any injuries to persons or damage to property occurring in, on or about the Premises, other than those arising from the negligence or willful misconduct of such Indemnified Party, (b) any work or thing whatsoever done or condition created by Sublessee in, on or about the Premises or the Building, (c) any act or omission of Sublessee, its agents, contractors, servants, employees, invitees or licensees, or (d) any failure by Sublessee to perform or observe any of the covenants and obligations required of Sublessee under this Sublease, including without limitation, any breach of the Lease caused or permitted by Sublessee. In addition to, and not in limitation of the foregoing, wherever the Sublessor as tenant under the Lease has agreed to indemnify the Landlord with respect to the Premises, so in this Sublease, Sublessee likewise agrees to indemnify Sublessor and Landlord. Sublessee's obligations under this Section shall survive the expiration or termination of this Sublease.

13. Approvals and Consents. Notwithstanding anything to the contrary contained in this Sublease, Landlord's consent or approval shall be required for all matters under this Sublease for which the approval or consent of Landlord is required under the Lease.

14. Condition of the Premises; Sublessee's Alterations.

(a) On the Commencement Date, the Premises shall be delivered to Sublessee in a condition substantially consistent with the Final Working Drawings (as defined in the Lease). Sublessee is working with Sublessor's architect to finalize Sublessee's improvements in the Premises. If and to the extent the cost to design, manage, permit and construct the improvements to be performed in the Premises, plus certain shared costs, the categories of which are delineated on the schedule attached hereto as Exhibit C (the "Construction Costs") exceed the allowance, on a per square foot basis, to be provided by Landlord therefor, then Sublessee shall bear the entire cost thereof. Sublessee shall reimburse Sublessor for such excess costs by, at Sublessee's election, either paying Sublessor therefor within fifteen (15) days after Sublessee's receipt of a written request therefor, or reimbursing Sublessor for such excess costs (plus interest on such outstanding amount at a rate of seven percent (7%) per annum) in sixty (60) equal monthly payments by amortizing such costs over the first five years of the Term of this Sublease. Attached hereto as Exhibit C is an estimate of such Construction Costs; however, Sublessee's obligations hereunder shall apply with respect to the actual costs, and the attached estimate shall not be binding. Notwithstanding the foregoing and notwithstanding anything set forth on Exhibit C to the contrary, Sublessee shall not be obligated to pay any Construction Costs in excess of Fifteen Thousand Dollars (\$15,000.00), except to the extent such excess costs are attributable to changes requested by Sublessee as provided in clause (i) in the immediately following sentence. Notwithstanding anything herein to the contrary, (i) any costs attributable to any change in construction of the improvements requested by Sublessee and approved by Sublessor from the plans prepared by Davis Carter Scott dated November 9, 2006 shall be borne by Sublessee, and (ii) any costs attributable to any change in construction of the improvements initiated by Sublessor from the plans prepared by Davis Carter Scott dated November 9, 2006 shall be borne by Sublessor. Sublessee acknowledges that it enters into this Sublease without any representations or warranties by Sublessor or Landlord, or anyone acting or purporting to act on behalf of Sublessor or Landlord, as to the present or future condition of the Premises or the appurtenances thereto or any improvements therein or of the Building, except as specifically set forth in this Sublease. It is further agreed that Sublessor shall have no obligation to perform any

other work in or for the benefit of the Premises.

(b) Notwithstanding anything to the contrary contained in the Lease, Sublessee shall not make any alterations or changes to the Premises whatsoever, including, without limitation, structural or non-structural changes, without the prior written consent of Sublessor and Landlord, pursuant to and in accordance with the terms and conditions of the Lease.

15. Time Limits. In the event Sublessee receives from Sublessor any notice to cure any default hereunder or under the Lease which notice is based on a notice sent to Sublessor by Landlord pursuant to the Lease, Sublessee shall cure such condition three (3) days prior to the time required of Sublessor by Landlord for the cure thereof.

16. Assignment and Subletting. Notwithstanding anything to the contrary contained in the Lease, Sublessee, for itself, its successors and assigns, expressly covenants that it shall not assign, whether by operation of law or otherwise, or pledge or otherwise encumber this Sublease, or sublet all or any part of the Premises. Any attempted assignment or subletting shall be void and of no force and effect. Sublessor reserves the right to transfer and assign its interest in and to this Sublease to any entity or person whom shall succeed to Sublessor's interest in and to the Lease.

17. Insurance.

(a) Sublessee shall obtain and keep in full force and effect during the Term with regard to the Premises, at its sole cost and expense, commercial general public liability insurance, property damage insurance, and fire and extended coverage insurance and any other insurance coverage required to be obtained by Sublessor, as tenant under the Lease, and such insurance coverage shall be in the nature and amounts set forth therein. Such insurance policies shall name Sublessor and Landlord (and such other person as Sublessor may request by notice to Sublessee from time to time) as additional insureds thereunder. Any reference to Landlord in that provisions of the Lease relating to the tenant's insurance requirements shall include both Sublessor and Landlord. Sublessee shall pay all premiums and charges for such insurance. If Sublessee shall fail to obtain such insurance, Sublessor may, but shall not be obligated to, obtain the same, in which event the amount of the premium paid shall be paid by Sublessee to Sublessor upon Sublessor's demand therefor. Such amount shall be deemed additional rent hereunder and shall be collectible by Sublessor in the same manner and with the same remedies as though said sums were Monthly Base Rent reserved hereunder.

(b) On or before the date of this Sublease, Sublessee shall furnish to Sublessor and Landlord certificates evidencing the aforesaid insurance coverage, and renewal certificates shall be furnished to Sublessor and Landlord at least thirty (30) days prior to the expiration of each policy for which a certificate was theretofore furnished. All insurance policies required of Sublessee hereunder shall provide that Sublessor and Landlord will be given at least thirty (30) days prior written notice of any cancellation or material change in the policy, or any other expiration or defaults thereunder.

(c) Sublessee acknowledges that neither Landlord nor Sublessor will carry

any insurance in favor of Sublessee, of Sublessee's furniture, fixtures, equipment, improvements, appurtenances or other property of Sublessee in or about the Premises.

(d) Notwithstanding the foregoing, for so long as the initial named Sublessee as specified in the opening paragraph of this Sublease remains the sole occupant of the Premises, Tenant shall have the right to self insure in lieu of obtaining the insurance described above.

18. Release and Waiver of Subrogation. Any property damage, fire or extended coverage insurance policy obtained by Sublessee, and covering the Premises or the personal property, fixtures and equipment located therein or thereon, shall contain an endorsement pursuant to which the respective insurance companies waive subrogation against Landlord and Sublessor. Sublessee hereby releases Sublessor and Landlord to the limits of the coverage of the insurance policies required to be held by Sublessee under this Sublease with respect to any claim (including a claim for negligence) which it might otherwise have against Sublessor and Landlord for loss, damage or destruction with respect to its property.

19. Hold-Over. If Sublessee shall not immediately surrender the Premises at the end of the Term, then Sublessee shall, by virtue of this Sublease, become a tenant at sufferance at a monthly rental equal to twice the Monthly Base Rent plus any additional rent due under the terms of this Sublease, commencing with the first day following the end of the Term. Sublessee, as a tenant at sufferance, shall be subject to all of the conditions and covenants of this Sublease (including payment of additional rent) as though the tenancy had originally been a monthly tenancy. During the holdover period, each party hereto shall give to the other at least thirty (30) days written notice to quit the Premises, except in the event of nonpayment of Monthly Base Rent or additional rent when due, or of the material breach of any other provision hereof by Sublessee, in which event, Sublessee shall not be entitled to any notice to quit, the usual thirty (30) days notice to quit being expressly waived. Without limiting the generality of Paragraph 12 above, and notwithstanding anything to the contrary contained in this Paragraph 19, Sublessee specifically agrees to be responsible for, and indemnify and hold Sublessor harmless from and against, all costs incurred by Sublessor under the Lease (including, without limitation, holdover rent for the entire Prime Lease Premises, to the extent charged by Landlord) to the extent it results from Sublessee's failure to surrender the Premises on the Expiration Date.

20. Notices.

(a) Any notice, demand or communication required or desired hereunder by either party to the other shall be in writing and shall be given when personally delivered or three (3) days after sent by certified or registered mail, first class, postage prepaid, or one (1) business day after delivery to a recognized national overnight courier, to the party for whom intended (i) prior to the Commencement Date, at the respective addresses of Sublessor and Sublessee first set forth above, and (ii) from and after the Commencement Date, at the Building. Either party may, by like written notice, designate a new address to which such notice, demand or communication shall thereafter be given.

(b) Sublessee shall promptly after receipt thereof, furnish to Sublessor by hand delivery a copy of any notice, demand or other communication received from Landlord with respect to the Premises.

305 21. Landlord's Consent.

306 (a) Sublessor and Sublessee each acknowledge and agree (i) that this Sublease
307 is subject to, and will not be effective without the receipt of, the written consent of Landlord in
308 accordance with the terms of the Lease, and (ii) that Landlord's consent to this Sublease shall not
309 create any contractual liability or duty on the part of Landlord to Sublessee, and shall not in any
310 manner increase, decrease or otherwise affect the rights and obligations of Landlord and
311 Sublessor, as landlord and tenant under the Lease, with respect to the Premises.

312 (b) This Sublease is subject and subordinate to the Lease and to the matters to
313 which the Lease is or shall be subordinate. In the event of the termination of the Lease, or the re-
314 entry or dispossession of Sublessor, as tenant, by Landlord under the Lease, Landlord, at its
315 option, may either terminate this Sublease, in which case Sublessee shall peacefully vacate the
316 Premises, or require Sublessee to attorn to Landlord as its sublessor pursuant to the then
317 applicable terms of this Sublease for the remaining term hereof, except that Landlord shall not be
318 (i) liable for damages for any previous act or omission of Sublessor under this Sublease, (ii)
319 subject to any offset which theretofore accrued to Sublessee against Sublessor, or (iii) bound by
320 any previous modification of this Sublease not consented to in writing by Landlord or by a
321 previous prepayment of rent more than one month in advance.

322 22. Miscellaneous.

323 (a) This Sublease may not be extended, renewed, terminated (other than in
324 accordance with the terms hereof), or otherwise modified except by an instrument in writing
325 signed by the party against whom enforcement of any such modification is sought.

326 (b) It is understood and agreed that all understandings and agreements
327 heretofore had between the parties hereto are merged in this Sublease, which alone fully and
328 completely expresses their agreement. This Sublease has been entered into after full
329 investigation, neither party relying upon any statement, representation or warranty made by the
330 other not embodied in this Sublease.

331 (c) The section headings appearing herein are for purposes of convenience
332 only and are not deemed to be a part of this Sublease.

333 (d) The provisions of this Sublease shall be governed by and construed in
334 accordance with the laws of the District of Columbia. Any action or proceeding in connection
335 with any matter arising out of or in any way connected with this Sublease, Sublessee's use or
336 occupancy of the Premises, and/or any claim for injury or damage related thereto shall be
337 brought and maintained in the Federal District Court for the Federal District in which the
338 Building is located, or the applicable state court for the county in which the Building is located.

339 (e) Time is of the essence as to the obligations contained in this Sublease.

340 (f) Sublessor and Sublessee each hereby waive trial by jury in any action,
341 proceeding or counterclaim brought by either of them against the other in connection with any
342 matter arising out of or in any way connected with this Sublease, Sublessee's use or occupancy of
343 the Premises, and/or any claim for injury or damage.

344 (g) Sublessor and Sublessee each hereby agree that neither shall be permitted
345 to record this Sublease nor any memorandum nor assignment thereof.

346 [signatures on next page]

347 IN WITNESS WHEREOF, this Sublease has been duly executed as of the day and year
348 first above written.

349 WITNESS/ATTEST:

SUBLESSOR:

350 NATIONAL ASSOCIATION OF COUNTIES, a
351 Delaware not-for-profit corporation

352 _____ By: _____

353 Name: _____

354 Its: _____

355

356 WITNESS/ATTEST:

SUBLESSEE:

357 COUNTY OF LOS ANGELES, a body politic and
358 corporate

359 _____ By: _____

360 Name: Zev Yaroslavsky

361 Chairman, Board of Supervisors

362 ATTEST:

363 Sachi A. Hamai

364 Executive Officer – Clerk of the Board of Supervisors

365 By: _____

366 Deputy

367

368 APPROVED AS TO FORM:

369 Raymond G. Fortner, Jr.

370 County Counsel

371 By: 

372 Deputy: Amy M. Caves

EXHIBIT A

Plan of Premises

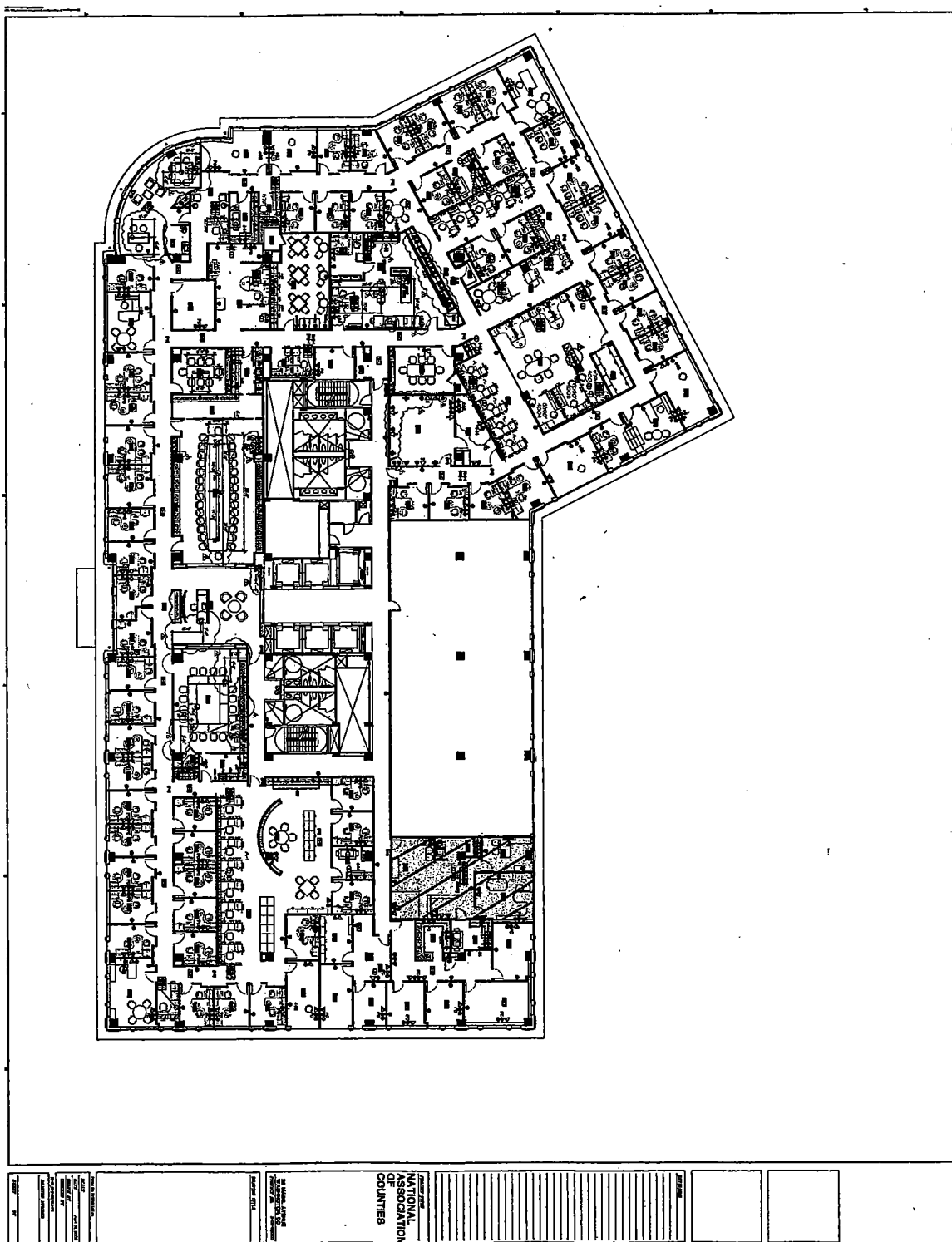


EXHIBIT B

Lease

OFFICE LEASE AGREEMENT
BY AND BETWEEN
25 MASSACHUSETTS AVENUE PROPERTY LLC
AND
NATIONAL ASSOCIATION OF COUNTIES

Republic Square I
25 Massachusetts Avenue, N.W.
Washington, D.C. 20001-1431

Form Approved: February, 2005

Office

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OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (this "Lease") is dated as of the ____ day of _____, 2006, by and between **25 MASSACHUSETTS AVENUE PROPERTY LLC**, a Delaware limited liability company ("Landlord"), and **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation ("Tenant").

ARTICLE I DEFINITIONS

1.1 Building: a ten (10) story building deemed to contain three hundred eighty-five thousand seven hundred sixty-five (385,765) square feet of office rentable area ("Office Area") and three hundred eighty-five thousand seven hundred sixty-five (385,765) square feet of total building rentable area ("Total Area"), all as measured in accordance with the BOMA Standards as provided in Section 25.18, located at 25 Massachusetts Avenue, N.W., Washington, DC 20001-1431, and to be known as Republic Square I.

1.2 Premises: deemed to contain thirty-five thousand one hundred seventy-four (35,174) square feet of rentable area located on a portion of the third (3rd) floor of the Building, as more particularly designated on Exhibit A, measured in accordance with the BOMA Standards as provided in Section 25.18.

1.3 Lease Term: one hundred twenty-one (121) months, subject to Section 3.1.

1.4 Anticipated Occupancy Date: January 1, 2007.

1.5 Base Rent: an annual amount payable as follows:

Lease Year	Annual Rate per Rentable Square Foot of Premises	Monthly Installment	Annual Installment*
1	\$32.00	\$93,797.33	\$1,125,568.00
2	\$32.88	\$96,376.76	\$1,156,521.10
3	\$33.78	\$99,014.81	\$1,188,177.70
4	\$34.71	\$101,740.79	\$1,220,889.50
5	\$35.67	\$104,554.70	\$1,254,656.50
6	\$38.17	\$111,882.62	\$1,342,591.50
7	\$39.22	\$114,960.35	\$1,379,524.20
8	\$40.30	\$118,126.01	\$1,417,512.20
9	\$41.41	\$121,379.60	\$1,456,555.30
10	\$42.55	\$124,721.14	\$1,496,653.70
11	\$43.72	\$128,150.60	\$1,537,807.20

* Based on twelve (12) full calendar months

1.6 Base Rent Annual Escalation Percentage: two and three-fourths percent (2.75%).

1.7 [Reserved]

1.8 [Reserved]

1.9 Security Deposit Amount: two hundred eighty-one thousand three hundred ninety-two and 00/100 dollars (\$281,392.00), subject to Article XI.

1.10 Broker(s): CB Richard Ellis, Inc. ("Landlord's Broker"); and Trammell Crow Services, Inc. ("Tenant's Broker").

1.11 Tenant Notice Address: 440 First Street, N.W., Washington, D.C. 20001, Attn: Executive Director, until Tenant has commenced beneficial use of the Premises; and 25 Massachusetts Avenue, N.W., Suite 300, Washington, DC 20001-1431, Attn: Executive Director, after Tenant has commenced beneficial use of the Premises.

1.12 Landlord Notice Address: 25 Massachusetts Avenue Property LLC, c/o Republic Property Trust, 1280 Maryland Avenue, S.W., Washington, D.C. 20024, Attn: Peter J. Cole, with copies to: (a) c/o Republic Property Trust, 1280 Maryland Avenue, S.W., Washington, D.C. 20024, Attn: General Counsel; and (b) c/o Republic Property Trust, 25 Massachusetts Avenue, N.W., Washington, D.C. 20001-1431, Attn: Property Manager.

1.13 Landlord Payment Address: 25 Massachusetts Avenue Property LLC, c/o Republic Property Trust, 1280 Maryland Avenue, S.W., Washington, D.C. 20024, Attn: Accounting Department. Tenant shall make all payments by means of electronic transfer of funds per the following instructions:

Account Name:	25 Massachusetts Avenue Property LLC
Account Number:	1000032047374
Bank:	Sun Trust Bank
Address:	Atlanta, Georgia
ABA:	061000104

1.14 Building Hours: 8:00 a.m. to 7:00 p.m. Monday through Friday (excluding Holidays) and 9:00 a.m. to 1:00 p.m. on Saturday (excluding Holidays).

1.15 Guarantor(s): not applicable.

1.16 Retail Area: if any in the future, this will be area comprised of premises leased or hereafter leased to tenants primarily for retail purposes (the "Retail Space") and any common areas and facilities as Landlord may designate for the convenience of the customers of said tenants (the "Retail Common Areas").

1.17 Tenant's Proportionate Share: 9.12% for Operating Charges; 9.12% for Office Specific Charges; and 9.12% for Real Estate Taxes subject to adjustment in accordance with Sections 5.2 and 26.1.

1.18 Parking Allotment: thirty-five (35) monthly parking permits (based on one (1) permit for each one thousand (1,000) square feet of rentable area in the Premises).

1.19 Holidays: New Year's Day, Martin Luther King, Jr. Day, Inauguration Day, Presidents' Day, Memorial Day (observed), Independence Day, Labor Day, Columbus Day (observed), Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day.

ARTICLE II

PREMISES

2.1 Tenant leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Tenant will have the non-exclusive right to use those areas and facilities of the Building and improvements to the Land which are from time to time provided by Landlord for the use or benefit of tenants in the Building and their employees, clients, customers, licensees and invitees or for use or benefit by the public ("common areas"), including, (a) access corridors, elevator foyers and core bathrooms, to the extent the same are not located on floors fully leased to a single tenant, (b) Building-wide mailrooms, fire rooms, vending areas, health and fitness facilities, janitorial areas and other similar facilities of the Building, (c) any and all non-exclusive grounds, parks, landscaped areas, courtyards, plazas, outside sitting areas, sidewalks, pedestrian ways, loading docks, and (d) generally all other common and public improvements on the Land. Except as may otherwise be expressly provided in this Lease, the lease of the Premises does not include the right to use the roof, mechanical rooms, electrical closets, janitorial closets, telephone rooms, parking areas or non-common or non-public areas of any portion of the Building, whether or not any such areas are located within the Premises (it being understood, however, that Tenant shall have the non-exclusive right to use (1) the plenums, sleeves to hold risers, electrical closets, telephone rooms, ducts or pipes on or serving the floor on which the Premises are located (other than those installed for another tenant's exclusive use and provided Tenant shall have utilization of each such facility or area in no greater proportion than the ratio by which the square feet of rentable area in the Premises compares to the square feet of rentable area in the Building) in accordance with plans and specifications to be approved by Landlord in its sole and absolute, but not arbitrary, discretion,

(2) the Parking Facility (as hereinafter defined), but only in accordance with Article XXIV, and (3) any mechanical rooms, electrical closets and telephone rooms located within the Premises, for the purpose for which they were intended, but only with Landlord's prior consent (except to the extent that such rooms and closets contain no system, wiring or other item related to either the Building Structure and Systems (defined below) or to a structure or system of any tenant or occupant other than Tenant, in which case no such prior consent of Landlord shall be required for the use of such area by Tenant's on-site, properly licensed and trained technicians, however, any entry to the Premises by Landlord shall be in accordance with Article XII) and strictly in accordance with Landlord's rules, regulations and requirements in connection therewith).

2.2 (a) At any time prior to July 15, 2006, Landlord may, in its sole and absolute discretion, elect by written notice to Tenant to relocate the Premises to a location on a higher floor in the Building which is the same location on such floor as the Premises is on the third (3rd) floor (the "Relocation Premises") on the same economic terms and conditions of this Lease (i.e., on the same rentable square foot basis). All costs and expenses related to such relocation of the Premises in accordance with this subparagraph (a) shall be paid by Landlord, including, without limitation, any additional out-of-pocket costs actually incurred by Tenant for increased design or construction costs, increased furniture or increased equipment costs caused by such relocation. Notwithstanding anything contained in the foregoing provisions of this paragraph to the contrary, in the event Landlord elects to relocate the Premises pursuant to the provisions hereof at any time on or before May 15, 2006, then Landlord's payment obligations described in the immediately preceding grammatical sentence shall be limited to an amount equal to Fifteen Thousand Dollars (\$15,000.00).

(b) Promptly after Landlord submits an amendment of this Lease indicating the location and configuration of the Relocation Premises and reasonable revisions (if necessary) to the schedule specified in Exhibit B for the preparation of the space plan and the submission of working drawings for the construction of the Premises, Tenant shall execute such amendment (with Landlord taking into account Tenant's reasonable comments thereto).

ARTICLE III

TERM

3.1 (a) All of the provisions of this Lease shall be in full force and effect from and after the date first above written. The Lease Term shall commence on the Lease Commencement Date specified in Section 3.2. If the Lease Commencement Date is not the first day of a month, then the Lease Term shall be the period set forth in Section 1.3 plus the partial month in which the Lease Commencement Date occurs. The Lease Term shall also include any properly exercised renewal or extension of the term of this Lease.

(b) Provided no Material Event of Default (as defined in Section 3.6(c)) then exists under this Lease, Tenant shall have the right to install in the Premises, during the Move-In Period only, telephone and computer systems and cabling (the "Cabling"), and furniture, furnishings, inventory, equipment, or trade fixtures, subject to all applicable terms and conditions of this Lease. The "Move-In Period" shall commence on the thirtieth, (30th) day prior to the projected Lease Commencement Date (as determined by Landlord) and continue through the day before the Lease Commencement Date, and shall also include, but with respect to Tenant's installation of Cabling only, those additional period(s) of time prior to the Lease Commencement Date, if any, of a duration and at a time as Landlord shall reasonably determine to be appropriate for Tenant to install Cabling into the Premises in the orderly course of construction considering the timing and schedule of all construction activities with respect thereto; provided, however, that no access whatsoever shall be permitted unless Tenant shall deliver to Landlord written evidence specifying that Tenant is then carrying all insurance required by this Lease to be carried by Tenant and its contractors. At Tenant's request from time to time Landlord will use reasonable efforts to inform Tenant of Landlord's good faith determination of the projected Lease Commencement Date. Neither Tenant nor any Agent of Tenant shall enter the Premises during those times that Landlord determines that such entry will unreasonably interfere with activities of Landlord or Landlord's agents or employees, and, in such event, Landlord shall notify Tenant of specific times during which Tenant may make such entry. Any and all activity by Tenant or any Agent of Tenant prior to the Lease Commencement Date shall be coordinated with Landlord to ensure that such activity does not interfere with any other work. If Landlord determines that any

such interference is occurring, then Landlord shall have the right to require the removal of the offending party from the Premises (with Tenant having no right to assert that the Lease Commencement Date or Tenant's other obligations are affected thereby). During the Move-In Period, neither Tenant nor any of its Agents shall unreasonably delay or otherwise inhibit the work being performed by Landlord or Landlord's agents or employees. Notwithstanding anything in this Lease to the contrary: (a) Landlord shall have no responsibility with respect to any items placed in the Premises by Tenant or any Agent prior to the Lease Commencement Date; and (b) all of the provisions of this Lease (including, without limitation, all insurance, indemnity and utility provisions (except, with respect to utility consumption during the Move-In Period, Tenant shall only be responsible for excess utilities or utilities used outside of Building Hours)) shall apply during the Move-In Period, except that during such period (i) Tenant shall not be obligated to pay Base Rent or Tenant's Proportionate Share of Operating Charges and Real Estate Taxes and (ii) Landlord shall not be obligated to provide any utility, service or other item in excess of those customarily provided to or for the benefit of a premises in order for Landlord to perform the initial improvement work thereto.

3.2 The "Lease Commencement Date" shall be the earlier of: (a) the date on which Tenant commences business operations in any portion of the Premises; or (b) the date which is the later to occur of: (i) January 1, 2007; and (ii) the date on which the work and materials to be provided by Landlord pursuant to Exhibit B are substantially complete as determined pursuant to Exhibit B. Promptly after the Lease Commencement Date is ascertained, Landlord and Tenant shall execute the certificate confirming the Lease Commencement Date attached to this Lease as Exhibit D. Failure to execute said certificate shall not affect the commencement or expiration of the Lease Term.

3.3 It is presently anticipated that the Premises will be delivered to Tenant on or about the Anticipated Occupancy Date; provided, however, that if Landlord does not deliver possession of the Premises by such date, then, except as otherwise provided in Section 3.5 below, Landlord shall not have any liability whatsoever, and this Lease shall not be rendered void or voidable, as a result thereof.

3.4 "Lease Year" shall mean a period of twelve (12) consecutive months commencing on the Lease Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Lease Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Lease Commencement Date occurs.

3.5 (a) If (i) the Lease Commencement Date does not occur on or before the thirtieth (30th) day after the Anticipated Occupancy Date (which date shall be extended by any Tenant Delay (as defined in Exhibit B) and any Special Force Majeure Delay (as defined in Section 25.21), and (ii) Tenant is therefore unable to occupy the Premises for the normal conduct of its business on or before the thirty-first (31st) day after the Anticipated Occupancy Date (as such date may be extended in accordance with clause (i) above), then Landlord shall reimburse Tenant in an amount equal to fifty percent (50%) the Existing Rent (as hereinafter defined) paid by Tenant under Tenant's Existing Lease up to the Existing Rent Cap (as defined below). Notwithstanding anything contained in the foregoing to the contrary, in the event the Lease Commencement Date does not occur on or before the thirtieth (30th) day after the Anticipated Occupancy Date (as such date may be extended in accordance with clause (i) above), Tenant shall provide Landlord with a reasonable opportunity (at Landlord's request and sole option) to pay for premium or overtime labor costs which, if incurred by Tenant, would result in Tenant being able to occupy the Premises for the normal conduct of business by the thirty-first (31st) day after the Anticipated Occupancy Date. All reimbursement amounts due hereunder shall be paid on a monthly basis by Landlord to Tenant within thirty (30) days after Landlord has received an invoice therefor and evidence reasonably acceptable to Landlord confirming payment by Tenant of such Existing Rent. All amounts due hereunder shall be prorated for any partial months, but only to the extent Existing Rent owed by Tenant is prorated. Landlord shall have the right to consult with Tenant in connection with discussions or negotiations with the landlord under Tenant's Existing Lease (the "Current Landlord") regarding the Existing Rent payable thereunder, and Tenant shall not, without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, amend the terms of Tenant's Existing Lease with respect to any such Existing Rent payable thereunder. Furthermore, Tenant hereby consents to and authorizes Landlord to negotiate with the Current Landlord on Tenant's behalf in an effort to

mitigate any Existing Rent due under Tenant's Existing Lease, and Tenant shall reasonably cooperate with Landlord (at no cost to Tenant) in attending meetings, executing documents, and the like in connection therewith; provided, however, that if any such negotiation increases Tenant's obligations under Tenant's Existing Lease, then Landlord shall first obtain Tenant's prior approval (which shall not be unreasonably withheld, conditioned or delayed) in connection therewith.

(b) (i) "Tenant's Existing Lease" shall mean that certain Indenture of Lease by and between Tenant and 440 First Street Limited Partnership, as landlord, for space at 440 First Street, N.W., Washington, D.C., dated June 18, 1980, as amended, a copy of which (including all lease amendments) has been delivered to Landlord and is described in Exhibit J. Tenant represents that the copy of Tenant's Existing Lease delivered to Landlord is true, correct and complete. Tenant represents and warrants that as of the date hereof Tenant's occupancy under Tenant's Existing Lease covers approximately twenty-four thousand five hundred thirty-one (24,531) square feet of rentable area.

(ii) "Existing Rent" shall mean Tenant's rental obligation paid under Tenant's Existing Lease (excluding any consequential or similar-type damages), but in no event shall Landlord's obligations with respect to Existing Rent exceed forty thousand eight hundred eighty-five dollars (\$40,885.00) per month (the "Existing Rent Cap") for each month for the applicable period pursuant to the terms of Tenant's Existing Lease.

(c) If Landlord fails to tender possession of the Premises to Tenant in accordance with this Lease on or before the one hundred eightieth (180th) day after the Anticipated Occupancy Date (which date shall be extended by Tenant Delay and, except as limited below in this Section 3.5(c), any Force Majeure Delay), then, provided no uncured Event of Default then exists and except as otherwise provided in this Section 3.5(c), Tenant shall have the right, as its sole and exclusive remedy (other than the remedy described in subsections (a) and (b) of this Section 3.5), to terminate this Lease by delivering written notice of the exercise of such right to Landlord. Such right of termination may be exercised by Tenant only during the period commencing on the one hundred eightieth (180th) day after the Anticipated Occupancy Date (which date shall be extended by Tenant Delay and, except as limited below in this Section 3.5(c), any Force Majeure Delay) and continuing through the fifth (5th) business day thereafter, and if such right is not exercised by Tenant by said fifth (5th) business day, such right shall thereafter lapse and be of no further force or effect. If this Lease is terminated pursuant to this such subsection, then neither party shall have any further obligations or liability hereunder to the other party; provided, however, that Landlord shall promptly refund any and all security deposits or advance rent previously deposited by Tenant with Landlord in accordance with the provisions of this Lease. Notwithstanding anything contained in the foregoing provisions of this Section 3.5(c) to the contrary, extensions of the Anticipated Occupancy Date by reason of Force Majeure Delay shall not exceed ninety (90) days if and only if the applicable Force Majeure Delay causes not only a delay in the performance of the Tenant Work, but also a delay in all other tenant improvement work in the Building and surrounding buildings.

3.6 Landlord hereby grants to Tenant the conditional right, exercisable at Tenant's option, to renew the term of this Lease for one (1) term of five (5) years (the "Renewal Term"). If exercised, and if the conditions applicable thereto have been satisfied, the Renewal Term shall commence immediately following the end of the initial Lease Term provided in Sections 1.3 and 3.1 of this Lease. The rights of renewal herein granted to Tenant shall be subject to, and shall be exercised in accordance with, the following terms and conditions:

(a) Tenant shall exercise its right of renewal with respect to the Renewal Term by giving Landlord written notice (the "Renewal Option Notice") thereof not earlier than eighteen (18) months nor later than fifteen (15) months prior to the expiration of the then-current term of this Lease. The parties shall have thirty (30) days after Landlord's timely receipt of the Renewal Option Notice (the "Negotiation Period") in which to agree on such annual base rent, escalation factor and additional rent which shall be payable during the Renewal Term (collectively, the "Renewal Rent"). The parties shall in good faith attempt to agree upon a Renewal Rent payable during the Renewal Term which would equal one hundred percent (100%) of the Market Rate (hereinafter defined) taking into consideration one hundred percent (100%) of the then market concessions. For purposes hereof, "Market Rate" shall mean rent for new leases of space of comparable size and location in first-class buildings in downtown

Washington, D.C. (the "Market Area"), taking into account all relevant factors, including, without limitation (a) the general office rental market for first-class buildings of similar class, size, age, finishes, method of construction and system design in the Market Area, (b) the rental rates then being obtained by other building owners for such first-class buildings in the Market Area, (c) the rental rates then being obtained by Landlord for comparable office space in the Building, (d) all of the terms and conditions of this Lease, including, without limitation payment by Tenant of Tenant's proportionate share of Operating Charges, Office Specific, Charges and Real Estate Taxes on a pro rata basis, and (e) whether any brokerage commission is to be paid by Landlord and, if so, the amount of same. If during the Negotiation Period the parties agree on such Renewal Rent, then they shall promptly execute an amendment to this Lease stating the Renewal Rent so agreed upon. If during such Negotiation Period the parties are unable, for any reason whatsoever, to agree on such Renewal Rent payable, then, at any time during the ten (10) day period commencing on the first day after such Negotiation Period and ending on the tenth day after such Negotiation Period (the "Revocation Period"), Tenant shall have the right to revoke its election to exercise its right with respect to the Renewal Term by providing Landlord with written notice of such revocation (the "Revocation Letter"). In the event Tenant timely provides the Revocation Letter to Landlord pursuant to the immediately preceding sentence, then Tenant's right of renewal shall lapse and be of no further force or effect. In the event Tenant does not timely provide the Revocation Letter to Landlord, then Tenant's Renewal Period election shall continue to be effective and, within ten (10) days after the last day of the Revocation Period, Landlord and Tenant shall each prepare and deliver to the other (and to the Arbitrator) its own final written determination of the Renewal Rent and shall together appoint a real estate broker who shall be licensed in the District of Columbia and who specializes in the field of commercial office space leasing in the downtown Washington, D.C. market, has at least twelve (12) years of experience and is recognized within the field as being reputable and ethical (the "Arbitrator"). If either party fails to timely deliver its determination to the other party and the Arbitrator, then the non-defaulting party's determination of the Renewal Rent shall be final and conclusive. Within fifteen (15) days after the selection of the Arbitrator, the Arbitrator shall select either Landlord's determination or Tenant's determination (this being the Arbitrator's sole function) as being closest to the Arbitrator's determination of the Renewal Rent and shall notify the parties of such selection. The Arbitrator's decision shall be final and conclusive, and binding on Landlord and Tenant. All costs associated with the Arbitrator shall be shared equally between Landlord and Tenant. If the parties are unable to jointly select the Arbitrator as aforesaid, then the Arbitrator shall be the then-president of the District of Columbia Building Industry Association (or its successor), or, if he or she does not meet the above qualifications or desires not to so act, his or her designee (who shall meet such qualifications). Upon determination of the Renewal Rent by the Arbitrator, the parties shall promptly execute an amendment to this Lease stating the Renewal Rent so determined.

(b) If Renewal Option Notice is not given timely, then Tenant's right of renewal shall lapse and be of no further force or effect.

(c) If a monetary or material non-monetary Event of Default (each, a "Material Event of Default") exists under this Lease on the date Tenant sends a renewal notice or any time thereafter until the Renewal Term is to commence, then, at Landlord's election, the Renewal Term shall not commence and the term of this Lease shall expire at the expiration of the then-current term of this Lease. Notwithstanding the foregoing, with respect to an uncured Material Event of Default existing as of the date Landlord receives the Renewal Option Notice, Landlord must elect to cancel Tenant's right of renewal within thirty (30) days following Landlord's receipt of the Renewal Option Notice. If a Material Event of Default occurs after the date upon which Tenant sends the Renewal Option Notice (but which Material Event of Default did not exist on the date Tenant sent such Renewal Option Notice), Landlord must elect to cancel Tenant's right of renewal within thirty (30) days following the date upon which such Event of Default occurs.

(d) If at any time fifty percent (50%) or more of the square feet of rentable area of the Premises has been subleased for all or substantially all of the remainder of the Lease Term (any space which Landlord recaptures pursuant to Section 7.4 being deemed to be subleased space for the purposes of this subsection) or if this Lease has been assigned, in either case to anyone other than to an Affiliate (as defined in Section 7.2(b)) (it being understood that

the Day One Subtenants (as defined in Section 7.1) are not Affiliates), then Tenant's rights pursuant to this Section shall lapse and be of no further force or effect.

(e) Tenant's rights of renewal under this Section may be exercised only by Tenant and may not be exercised by or for the benefit of any transferee, sublessee or assignee of Tenant other than an Affiliate or a permitted assignee of the entire Premises for the entire remaining Lease Term.

ARTICLE IV BASE RENT

4.1 From and after the Lease Commencement Date, Tenant shall pay the Base Rent in equal monthly installments in advance on the first day of each month during a Lease Year.

4.2 Concurrently with Tenant's execution of this Lease, Tenant shall pay an amount equal to one (1) monthly installment of the Base Rent payable during the first Lease Year, which amount shall be credited toward the Base Rent first due and payable from and after the Lease Commencement Date. If the Lease Commencement Date is not the first day of a month, then the Base Rent from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the first Lease Year.

4.3 Notwithstanding anything contained in this Lease to the contrary, provided no Material Event of Default then exists under this Lease, Landlord grants to Tenant an abatement of Base Rent in an amount equal to one month's Base Rent payable during the first Lease Year, which abatement shall be applied by Landlord in the sum of \$15,632.89 per month for each of the first (1st) six (6) full calendar months of the Lease Term.

4.4 All sums payable by Tenant under this Lease shall be paid to Landlord in legal tender of the United States, without setoff, deduction or demand (except as specifically provided in Sections 14.6, 17.1 and 18.1), at the Landlord Payment Address, or to such other party or such other address as Landlord may designate in writing. At Landlord's option, Tenant shall make all payments by electronic transfer of funds. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. If any sum payable by Tenant under this Lease is paid by check which is returned due to insufficient funds, stop payment order, or otherwise, then: (a) such event shall be treated as a failure to pay such sum when due; and (b) in addition to all other rights and remedies of Landlord hereunder, Landlord shall be entitled (i) to impose a returned check charge of Fifty Dollars (\$50.00) to cover Landlord's administrative expenses and overhead for processing, and (ii) if such event has occurred more than two times during the Lease Term, to require that all future payments be remitted by wire transfer, money order, or cashier's or certified check.

ARTICLE V OPERATING CHARGES AND REAL ESTATE TAXES

5.1 For the purposes of this Article V, the term "Building" shall be deemed to include the site upon which the Building is constructed (which site is sometimes referred to herein as the "Land"), the roof of the Building and any physical extensions therefrom, any driveways, sidewalks, landscaping, alleys and parking facilities in the Building or on the Land, and all other areas, facilities, improvements and appurtenances relating to any of the foregoing. The Building is operated as part of a complex of buildings or in conjunction with other buildings or parcels of land and Landlord may prorate the common expenses and costs with respect to each such building or parcel of land in such manner as Landlord, in its sole but reasonable judgment, shall determine.

5.2 (a) (1) From and after the Lease Commencement Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Operating Charges for each calendar year falling entirely or partly within the Lease Term. Tenant's Proportionate Share with respect to Operating Charges set forth in Article I has been calculated to be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.2, and the denominator of which is the Total Area.

(2) From and after the Lease Commencement Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Office Specific Charges for each calendar year falling entirely or partly within the Lease Term. Tenant's Proportionate Share with respect to Office Specific Charges as set forth in Article I has been calculated to be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.2, and the denominator of which is the Office Area. In the event any portion of the Office Area is converted to Retail Area by Landlord in the future, Landlord shall change the denominator to reflect the square feet of rentable area then being used for Office Area, in which case Tenant's Proportionate Share with respect to Office Specific Charges shall be adjusted accordingly.

(b) "Operating Charges" shall mean all expenses, charges and fees incurred by or on behalf of Landlord in connection with the management, operation, ownership, maintenance, servicing, insuring and repair of the Building, including, without limitation, the following: (1) electricity, gas, water, HVAC, sewer and other utility costs, charges and fees (including, without limitation, any tap fees and connection and switching fees other than any tap fees and connection and switching fees related to the initial construction of the Building); (2) premiums, deductibles (to the extent reasonable and customary) and other charges for insurance; (3) management fees of three percent (3%) of the adjusted gross revenues plus amounts that would have been received had there been no rental abatements or other concessions), and personnel costs of the Building at or below the level of Building Manager (including Landlord's reasonable allocation of such costs paid by Landlord with respect to employees who are assigned part-time to the operation, maintenance and/or repair of the Building and all fringe benefits, workers' compensation insurance premiums and payroll taxes); (4) costs of service, access control, landscaping and maintenance contracts; (5) maintenance, repair and replacement expenses and supplies (except as otherwise provided herein); (6) depreciation/amortization for capital expenditures made by Landlord to reduce operating expenses if Landlord reasonably estimates in good faith that the annual reduction in operating expenses shall exceed such depreciation or to comply with code or the interpretation of code by a local government official, legal or insurance requirements (including, without limitation, the ADA and Environmental Laws) that are created or first imposed after the date hereof, and which shall be charged to Operating Charges in annual installments over the useful life of the items for which such costs are incurred (in the case of items required to comply with legal or insurance requirements) or over the period Landlord reasonably estimates in good faith that it will take for the savings in operating expenses achieved by such items to equal their costs (in the case of items intended to reduce operating expenses or their rate of increase), and in either case, together with interest, each calendar year such costs are charged to Operating Charges, on the unamortized balance at an interest rate of one percent (1%) in excess of the Prime Rate (as defined in Section 19.5) in effect on January 1 of each calendar year; (7) charges for janitorial and cleaning services and supplies; (8) any business, professional or occupational license tax payable by Landlord with respect to the Building and any association fees; (9) [reserved]; (10) sales, use and personal property taxes payable in connection with tangible personal property and services purchased for and used in connection with the Building; (11) reasonable third party accounting and audit fees relating to the determination of Operating Charges (and tenants' proportionate shares thereof) and the preparation of statements required by tenant leases; (12) expenses incurred in connection with concierge and other shared services provided to the Building; (13) the fair market rental value of any management office (of reasonable and customary size) and health/fitness facilities in the Building; (14) special assessments, fees, penalties and other charges and costs for transit, transit encouragement traffic reduction programs, or any similar purpose; (15) all costs of operating, maintaining, repairing and replacing equipment in any portion of the Fitness Facility (as defined in Section 14.4) (to the extent not offset by separate membership or usage fees), roof deck, function room or other amenity of the Building; and (16) any other expense incurred by Landlord in arm's-length transactions in connection with the Building and which expense is customarily included in Operating Charges by landlords of comparable buildings in the Market Area (hereinafter defined). Notwithstanding any provision contained in this Lease to the contrary, Operating Charges shall not include: (i) Retail Area Charges, Office Specific Charges, or Real Estate Taxes; (ii) principal or interest payments on any Mortgages (as defined in Section 21.1); (iii) the costs of special services and utilities separately charged to particular tenants of the Building or not made available to Tenant; (iv) ground lease payments; (v) costs for which Landlord is reimbursed by Tenant, by insurance proceeds or from tenants of the Building (other than such

tenants' regular contributions to Operating Charges) or under warranties/guaranties; (vi) legal fees incurred for negotiating leases or collecting rents; (vii) costs directly and solely related to the maintenance and operation of the entity that constitutes the Landlord, such as accounting fees incurred solely for the purpose of reporting Landlord's financial condition; (viii) costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty, or the exercise by governmental authorities of the right of eminent domain (except a commercially reasonable deductible); (ix) leasing commissions, attorney's fees, marketing costs, disbursements and other expenses incurred by Landlord or its agents in connection with negotiations for leases with tenants, other occupants or prospective tenants or other occupants of the Building, and similar costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants, or prospective tenants or other occupants of the Building; (x) tenant allowances, tenant concessions, and other costs and expenses (including permit, license and inspection fees) incurred in connection with completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating leased premises for tenants or other occupants of the Building, or vacant, leasable space in the Building, including space planning/interior architecture fees and/or engineering for same; (xi) costs or expenses (including fines, penalties and legal fees) incurred due to the violation (as compared to compliance costs, which are included in Operating Charges as provided above) by Landlord, its agents, any tenant (other than Tenant) or other occupant of the Building of any terms and conditions of this Lease or of the leases of other tenants in the Building, and/or of any valid applicable Laws (as defined in Section 6.1) that would not have been incurred but for such violation by Landlord, its agent, tenant, or other occupant, it being intended that each party shall be responsible for the costs resulting from its violation of such leases and Laws; provided that reasonable attorneys fees to enforce rules and regulations for the Building shall be included in Operating Charges; (xii) penalties for any late payment by Landlord, including, without limitation, taxes and equipment leases; (xiii) compensation paid to clerks, attendants or other persons in commercial concessions (such as a snack bar, restaurant or newsstand, but not including Building amenities such as a fitness center or the parking facilities); (xiv) Landlord's contributions to charitable organizations; (xv) costs of constructing the Building or correcting defects, including any allowances for same, in the construction of the Building; (xvi) costs in connection with services (including electricity or after hours HVAC), items or other benefits of a material type which are not available to Tenant without specific charge therefor, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefor by Landlord; (xvii) costs or expenses for sculpture, paintings or other works of art, including costs incurred with respect to the purchase, ownership, leasing, showing, promotion, securing, repair and/or maintenance of same, other than normal building decorations customary in buildings comparable to the Building; (xviii) depreciation/amortization for capital expenditures, except as expressly permitted above; (xix) costs arising from the presence of Hazardous Materials in, about or below the Land or the Building (including any Hazardous Materials brought to, deposited on or disposed of at the Building by Landlord or Landlord's Agents) (but excluding those Hazardous Materials utilized by Landlord in accordance with all Environmental Laws in connection with the operation, maintenance and repair of the Building in the ordinary course and those brought, deposited or disposed of by Tenant or Tenant's Agents with respect to its use and occupancy of space in the Building) and (xx) any expenses with respect to the operation, maintenance, management and repair of the Parking Facility serving the Building, except for costs incurred by Landlord and not borne by the operator of the Parking Facility for routine maintenance and repair (such as, without limitation, lamps, ballasts, exhaust fans, fire/life safety systems and elevators), resealing, utilities and restriping and compliance with Laws. "Retail Area Charges" shall mean those expenses, if any, that are solely attributable to and payable by tenants of the Retail Area (for example, expenses relating to janitorial, bussing and cleaning services; supplemental storage and removal of trash; maintenance and replacement of tables, chairs, trash receptacles and other furnishings or facilities; and electricity, gas, water, sewer and other utility service furnished solely to such space, to the extent applicable). "Office Specific Charges" shall mean all expenses attributable solely to the Office Area from time to time, including, but not limited to, expenses relating to cleaning contracts and supplies relating, and electricity supplied, exclusively to the Office Area.

(c) If the average occupancy rate for the Building during any calendar year is less than one hundred percent (100%), or if any tenant is separately paying for (or does not require) electricity, janitorial or other utilities or services furnished to its premises, then Landlord shall include in Operating Charges and Office Specific Charges, as applicable, for such year all

additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if such average occupancy rate had been one hundred percent (100%) and if Landlord paid for such utilities or services furnished to such premises.

(d) Tenant shall make estimated monthly payments to Landlord on account of the amount of Operating Charges and Office Specific Charges that are expected to be incurred during each calendar year (or portion thereof) based on a reasonably detailed written statement from Landlord setting forth Landlord's reasonable estimate and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of each such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a reasonably detailed written statement (the "Reconciliation Statement") showing (1) Tenant's Proportionate Share of the amount of Operating Charges incurred during the preceding calendar year, (2) Tenant's Proportionate Share of the amount of Office Specific Charges incurred during the preceding calendar year, and (3) the aggregate amount of Tenant's estimated payments made on account of Operating Charges and Office Specific Charges during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next estimated payment(s) pursuant to this Section and against the next installment(s) of Base Rent due under this Lease, or, if the Lease Term has expired or will expire before such credit can be fully applied, or to the extent Tenant is not otherwise liable to Landlord for further payment of Operating Charges and Office Specific Charges, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days after the delivery of such statement. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent within thirty (30) days after delivery of such statement.

5.3 (a) From and after the Lease Commencement Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Real Estate Taxes for each calendar year falling entirely or partly within the Lease Term. Tenant's Proportionate Share with respect to Real Estate Taxes shall be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.2, and the denominator of which is the Total Area.

(b) "Real Estate Taxes" shall mean (1) all real estate taxes, vault and/or public space rentals, rates and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, which are imposed upon Landlord or assessed against the Building or the Land, or Landlord's personal property used in connection therewith, (2) any other present or future taxes or charges that are imposed upon Landlord or assessed against the Building which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the gross rents payable by tenants of the Building, any public safety fee or similar charge, any transit, sales, rental, use, receipts or occupancy tax or fee, and any assessment imposed in connection with business improvement or similar districts, and (3) reasonable expenses (including, without limitation, reasonable attorneys' and consultants' fees and court costs) incurred in reviewing, protesting or seeking a reduction or abatement of, or defending or otherwise participating in any challenge to, real estate taxes, whether or not such protest or reduction is ultimately successful (provided, however, that such review, protest, or reduction attempt is undertaken in good faith by Landlord with the reasonable expectation to reduce Real Estate Taxes for the Building). Tenant shall not initiate or participate in any contest of Real Estate Taxes without Landlord's prior written consent. Subject to the foregoing, Real Estate Taxes shall not include any inheritance, estate, gift, franchise, corporation, net income or net profits tax assessed against the Building or Landlord from the operation of the Building. Real Estate Taxes shall not include any interest charges or penalties incurred as a result of Landlord's failure to timely pay Real Estate Taxes; provided, however, that if the taxing authority permits a taxpayer to elect to pay in installments, then, for purposes of determining the amount of Real Estate Taxes, if Landlord so elects to pay in installments, all interest charges shall be deemed Real Estate Taxes.

(c) If during any calendar year, the Building is not fully assessed for tax purposes, then Landlord may include in Real Estate Taxes for such year all additional taxes, as reasonably estimated by Landlord, which would have been incurred during such year if the Building had been fully assessed.

(d) Tenant shall make estimated monthly payments to Landlord on account of the amount of Real Estate Taxes that are expected to be incurred during each calendar year based on a reasonably detailed written statement from Landlord setting forth Landlord's reasonable estimate of such amount and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a Reconciliation Statement showing (1) Tenant's Proportionate Share of the amount of Real Estate Taxes incurred during the preceding calendar year, and (2) the aggregate amount of Tenant's estimated payments made during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next estimated payment(s) pursuant to this Section and against the next installment(s) of Base Rent due under this Lease, or, if the Lease Term hereof has expired or will expire before such credit can be fully applied, to the extent Tenant is not otherwise liable for further payment of Real Estate Taxes, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days after delivery of such statement. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent within thirty (30) days after delivery of such statement.

5.4 If the Lease Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liabilities pursuant to this Article for such calendar year and Landlord's obligation to refund any overpayments for such calendar year shall be apportioned by multiplying the respective amount of Tenant's Proportionate Share thereof for the full calendar year by a fraction, the numerator of which is the number of days during such calendar year falling within the Lease Term, and the denominator of which is three hundred sixty-five (365).

5.5 Provided no Material Event of Default exists hereunder and Tenant has timely paid the amount set forth in the applicable Reconciliation Statement, Tenant (through its regular, full-time employees who are reasonably qualified to do so), or an independent, nationally recognized certified public accountant (on behalf of Tenant) who is hired by Tenant on a non-contingent fee basis, offers a full range of accounting services and is otherwise approved by Landlord, shall have the right, during regular business hours, at the management office for the Building and after giving at least fifteen (15) days' advance written notice to Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), to commence to have Landlord's books and records related to Operating Charges, Office Specific Charges and Real Estate Taxes (collectively, "Pass-Throughs") for the immediately preceding calendar year (or portion thereof) reviewed (and if so commenced, to continuously, expeditiously and diligently pursue such review to completion), provided that such review shall be concluded not later than one hundred eighty (180) days following the date of Tenant's receipt of the applicable Reconciliation Statement for the year to which such review relates and that substantially all of the communications with Landlord (and Landlord's representatives) in connection with the review shall be conducted by an employee of Tenant. If Landlord disagrees with the results of Tenant's review and Landlord and Tenant cannot otherwise agree on the amount of Pass-Throughs payable by Tenant for the calendar year reviewed, then Landlord and Tenant's auditor shall together select a neutral auditor of similar qualifications to conduct a review of such books and records (the fees of such neutral auditor to be shared equally by Landlord and Tenant), and the determination of Pass-Throughs reached by such neutral auditor shall be final and conclusive. If the amounts paid by Tenant to Landlord on account of Pass-Throughs (a) exceed the amounts to which Landlord is entitled hereunder, then Landlord shall, upon final determination, credit the amount of such excess toward the next monthly payment(s) of Pass-Throughs and Base Rent due hereunder, or (b) are less than the amounts to which Landlord is entitled hereunder, then Tenant

shall pay such deficiency as additional rent. All costs and expenses of any such review shall be paid by Tenant; provided, however, that if the amount of Operating Charges or Office Specific Charges used in such statement to calculate Tenant's Proportionate Share of Operating Charges or Office Specific Charges (but not Real Estate Taxes) was overstated by Landlord by more than five percent (5%), Landlord shall reimburse Tenant for the commercially reasonable, out-of-pocket hourly or flat fee costs and expenses paid by Tenant in connection with Tenant's review (not to exceed \$2,500 in total). Any and all financial or other proprietary information obtained through any review (including, without limitation, any matters pertaining to Landlord, its managing agent, or the Building), and any compromise, settlement or adjustment that may be proposed or reached between Landlord and Tenant, shall be held in strict confidence, and neither Tenant nor any of Tenant's Agents shall disclose any such information to any person or entity other than a Permitted Recipient. A "Permitted Recipient" shall be the officers, partners and senior level employees of Tenant who are involved in lease administration, Tenant's certified public accountants, Tenant's attorney, any employees of Tenant's auditor involved with the review, or any person or entity to whom disclosure is required by applicable judicial or governmental authority. Prior to disclosing any such information to any Permitted Recipient (including its auditor), Tenant shall instruct such Permitted Recipient to abide by this confidentiality provision. Notwithstanding anything herein to the contrary, if Tenant does not notify Landlord in writing of any objection to any Reconciliation Statement within one hundred eighty (180) days after receipt thereof, then Tenant shall be deemed to have waived any such objection and shall have no right to review pursuant to this subsection. In the event Landlord shall fail to charge Tenant for any additional rent pursuant to this Article within two (2) years from Tenant's receipt of the applicable Reconciliation Statement for the calendar year in which such cost was incurred by Landlord, then Landlord shall be deemed to have waived its right to collect such additional rent, except to the extent such additional rent relates to a charge for which Landlord had not been invoiced by its vendor or supplier in which case said two (2) year period shall commence upon Landlord's receipt of such invoice from its vendor or supplier.

ARTICLE VI USE OF PREMISES

6.1 Tenant shall use and occupy the Premises solely for general (non-medical and non-governmental) office purposes compatible with first class office buildings in the Building's submarket, and for no other use or purpose. Tenant shall not use or occupy the Premises for any unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or the Building, or that will constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant or user of the Building, or in any manner that will increase the number of parking spaces required for the Building or its full occupancy as required by law. Tenant shall comply with all present and future laws (including, without limitation, the Americans with Disabilities Act (the "ADA") and the regulations promulgated thereunder, as the same may be amended from time to time), ordinances (including without limitation, zoning ordinances and land use requirements), regulations, orders and recommendations (including, without limitation, those made by any public or private agency having authority over insurance rates) (collectively, "Laws") concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures and improvements therein, all of which shall be complied with in a timely manner at Tenant's sole expense. If any such Law requires an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then Tenant shall obtain and keep current such permit or license at Tenant's expense and shall promptly deliver a copy thereof to Landlord. Notwithstanding the foregoing, Landlord shall be responsible for obtaining an initial permanent or temporary certificate of occupancy (or non-residential use permit) for the work to be performed by Landlord in the Premises (or portion thereof, as applicable) pursuant to Exhibit B. Tenant shall cooperate with Landlord in connection therewith. If Landlord is unable to obtain such certificate due in whole or in part to any Tenant Delay or to any item installed or to be installed in the Premises as part of Tenant's work therein by a party other than Landlord or any contractor of Landlord, then, solely for the purpose of determining substantial completion of the Premises and the Lease Commencement Date, Landlord's obligation with respect to obtaining such certificate shall be deemed satisfied in full immediately upon Landlord's submission to the applicable governmental authority of an application therefor (it being understood, however, that Tenant's taking occupancy of the Premises or Landlord's substantially completing the Premises shall not relieve Landlord of its obligation to obtain a final certificate of occupancy to the extent the same is required for

Tenant's lawful use and occupancy of the Premises). In addition, if Tenant fails to sign and deliver to Landlord (or Landlord's designee) any application or other item required to apply for and obtain a certificate of occupancy for the Premises within one (1) business day after being requested to do so, then such failure shall be deemed to constitute a Tenant Delay and default under this Lease. Tenant shall pay, or reimburse Landlord for, all costs associated with obtaining any certificate of occupancy for the Premises (subject to application of the Improvements Allowance (hereinafter defined)). Notwithstanding the foregoing, Landlord at its expense (subject to reimbursement pursuant to Article V, if and to the extent permitted thereby) shall comply with Laws (including, without limitation, the ADA, building and fire codes, and Environmental Laws) to the extent the same apply to the Building Structure and Systems and common areas of the Building; provided, however, that to the extent any non-compliance is a result of Tenant's particular use or occupancy of the Premises (as opposed to office use generally) or any negligence or willful misconduct of Tenant or any Agent, or if any improvements made by Landlord to comply with such Laws benefit solely the Premises (and not any other premises) and are atypical of those performed for similarly situated tenants, then such compliance shall be at Tenant's cost. Without limiting the generality of any of the foregoing, Tenant, at its expense, shall install and maintain fire extinguishers and other fire protection devices as may be required with respect to Tenant's use of the Premises from time to time by any agency having jurisdiction thereof and/or the underwriters insuring the Building, and, subject to Landlord's delivery of the Premises to Tenant in compliance with Laws, Tenant at its sole cost and expense shall be solely responsible for taking any and all measures which are required to comply with the ADA concerning the Premises (including suite entry doors and related items) and the business conducted therein. Any Alterations made or constructed by or for Tenant for the purpose of complying with the ADA or which otherwise require compliance with the ADA shall be done in accordance with this Lease; provided, that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA. Use of the Premises is subject to all covenants, conditions and restrictions of record. Tenant shall not use any space in the Building or the Land for the sale of goods to the public at large or for the sale at auction of goods or property of any kind. Tenant shall not conduct any operations, sales, promotions, advertising or special events outside the Premises, in the Building or on the Land.

6.2 Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business at the Premises, or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay as additional rent the amount of such tax or fee, plus any delinquency fees or professional fees related thereto.

6.3 Tenant shall not allow, cause or permit any Hazardous Materials to be generated, used, treated, released, stored or disposed of in or about the Building or the Land, provided that Tenant may use and store normal and reasonable quantities of standard cleaning and office materials in the Premises as may be reasonably necessary for Tenant to conduct normal general office use operations in the Premises so long as such materials are properly, safely and lawfully stored and used by Tenant and the quantity of same does not equal or exceed a "reportable quantity" as defined in 40 C.F.R. 302 and 305, as amended. At the expiration or earlier termination of this Lease, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant (it being understood that the term "inaction" as used in this Section shall not impose upon Tenant any obligation to remove Hazardous Materials existing in the Premises as of the Lease Commencement Date which were introduced into the Premises by anyone other than Tenant or any Agent of Tenant, unless such condition is knowingly aggravated as a result of Tenant's use or occupancy of the Premises), Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws. "Hazardous Materials" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity,

carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, including toxic mold, (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Building or the Land or hazardous to health or the environment. "Environmental Law" means any present and future Law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any Law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency, and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety). Tenant shall: (i) give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, which Environmental Default Tenant shall cure in accordance with all Environmental Laws and only after Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; and (ii) promptly deliver to Landlord copies of any notices or other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or threatened by any third party, concerning the Premises, the occupancy or use thereof, or the existence or potential existence of Hazardous Materials therein. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default, and, if Tenant fails to immediately address same in accordance with this Lease, to perform, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, at Tenant's sole cost and expense, any lawful action necessary to address same. "Environmental Default" means any of the following by Tenant or any Agent of Tenant: a violation of an Environmental Law; a release, spill or discharge of a Hazardous Material on or from the Premises, the Land or the Building; an environmental condition requiring responsive action; or an emergency environmental condition.

ARTICLE VII ASSIGNMENT AND SUBLETTING

7.1 Tenant shall not assign, transfer or otherwise encumber (collectively, "assign") this Lease or all or any of Tenant's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "sublet") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion (subject to the remainder of this Article VII). Notwithstanding any of the foregoing to the contrary, provided no Material Event of Default then exists under this Lease, and subject to Landlord's rights and Tenant's obligations pursuant to Sections 7.3, 7.4 and 7.5 below, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed subletting of the entire or any portion of the Premises or assignment of the Lease in its entirety. For purposes of the immediately preceding sentence, it shall be reasonable for Landlord to withhold its consent if, for example: (i) the proposed subtenant or assignee is engaged in a business, or the Premises will be used in a manner, that is inconsistent with the first-class image of the Building; or (ii) Landlord is not reasonably satisfied with the financial condition of the proposed subtenant or assignee; or (iii) the proposed use of the Premises is not in compliance with Article VI or is not compatible with the other uses within, and the terms of other leases with

respect to, the Building; or (iv) such proposed sublease or assignment would cause the aggregate number of rentable square feet sublet or assigned under such sublease and all other subleases with respect to the Premises to exceed fifty percent (50%) of the total number of rentable square feet in the Premises as of the Lease Commencement Date; or (v) the initial Tenant does not remain fully liable as a primary obligor for the payment of all rent and other charges payable by Tenant under this Lease and for the performance of all other obligations of Tenant under this Lease; or (vi) the proposed subtenant or assignee is a governmental or quasi-governmental agency; or (vii) the holders of Mortgages encumbering the Building shall fail to consent where such consent is required (Landlord hereby agreeing to use commercially reasonable efforts to obtain such consent if Landlord approves such transaction); or (viii) the proposed subtenant or assignee is either (A) an existing tenant of the Building (or any parent, subsidiary or affiliate thereof) if Landlord has adequate space available in the Building for a comparable term, or (B) for a period of sixty (60) days following the submission of a written proposal for the lease of space (and thereafter if a mutual agreement such as a letter of intent is executed within such period), any other person or entity with which Landlord is in the process of negotiating for the rental of space in the Building. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Any attempted assignment, transfer, or other encumbrance of this Lease or all or any of Tenant's rights hereunder or interest herein, any sublet or permission to use or occupy the Premises or any part thereof not in accordance with this Article VII, shall be void and of no force or effect. Any assignment or subletting, Landlord's consent thereto, the listing or posting of any name other than Tenant's, or Landlord's collection or acceptance of rent from any assignee or subtenant shall not be construed either as waiving or releasing Tenant from any of its liabilities or obligations under this Lease as a principal and not as a guarantor or surety, or as relieving Tenant or any assignee or subtenant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment or subletting. As security for this Lease, Tenant hereby assigns to Landlord the rent due from any assignee or subtenant of Tenant such that during any period that there exists an uncured Event of Default under this Lease, Tenant hereby authorizes each such assignee or subtenant to pay said rent directly to Landlord upon receipt of notice from Landlord specifying same. Landlord's collection of such rent shall not be construed as an acceptance of such assignee or subtenant as a tenant. Tenant shall not mortgage, pledge, hypothecate or encumber (collectively "mortgage") this Lease without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. Tenant shall pay to Landlord all reasonable, out-of-pocket, third party expenses (including reasonable attorneys' fees and accounting costs) incurred by Landlord (not to exceed Two Thousand Dollars (\$2,000.00)) in connection with Tenant's request for Landlord to give its consent to any assignment, subletting, or mortgage, and Landlord's receipt of such sum shall be a condition to Landlord providing such consent. Any sublease, assignment or mortgage shall, at Landlord's option, be effected on forms reasonably approved by Landlord. Tenant shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage, and Landlord's consent thereto, within ten (10) days after execution thereof. Notwithstanding anything contained in this Lease to the contrary, Landlord hereby approves the subleasing by Tenant of portions of the Premises (not to exceed 5,000 rentable square feet in the aggregate) to the following entities (collectively, the "Day One Subtenants"): NACE, L.A. County, and Walter & Associates; provided and so long as each such sublease otherwise complies with the requirements of this Article VII.

7.2 (a) If Tenant is or becomes a partnership or a limited liability company, then any event (whether voluntary, concurrent or related) resulting in a dissolution of Tenant, any withdrawal or change (whether voluntary, involuntary or by operation of law) of the partners or members, as applicable, owning a controlling interest in Tenant (including each general partner or manager, as applicable), or any structural or other change having the effect of limiting the liability of the partners shall be deemed a prohibited assignment of this Lease subject to the provisions of this Article. If Tenant is or becomes a corporation or a partnership with a corporate general partner, then any event (whether voluntary, concurrent or related) resulting in a dissolution, merger, consolidation or other reorganization of Tenant (or such corporate general partner), or the sale or transfer or relinquishment of the interest of shareholders who, as of the date of this Lease, own a controlling interest of the capital stock of Tenant (or such corporate general partner), shall be deemed a prohibited assignment of this Lease subject to the provisions of this Article; provided, however, that if Tenant is a corporation whose stock is traded through a national or regional exchange or over-the-counter market, then the foregoing portion of this

sentence shall be applicable only if such event has or is intended to have the effect of limiting liability under this Lease.

(b) Notwithstanding anything contained in this Article VII to the contrary, provided no uncured Event of Default exists hereunder, Tenant may, upon not less than ten (10) days' prior written notice to Landlord (which notice shall contain a written certificate from Tenant, signed by an authorized representative of Tenant, containing a representation as to the true, correct and complete legal and beneficial relationship of Tenant and the proposed assignee, transferee or subtenant) but without Landlord's prior written consent and without being subject to Landlord's rights and Tenant's obligations set forth in Sections 7.4 and 7.5 below, assign or transfer its entire interest in this Lease or sublease the entire or any portion of the Premises to any of the following (each, an "Affiliate"): (i) to a corporation or other business entity (herein sometimes referred to as a "successor corporation") into or with which Tenant shall be merged or consolidated, or to which substantially all of the assets of Tenant may be transferred or sold, provided that such successor corporation shall have a net worth and liquidity factor at least equal to the net worth and liquidity factor of Tenant as of the date hereof or otherwise reasonably acceptable to Landlord taking into account the fact that the original Tenant under this Lease is not being released, and provided that the successor corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease and the proposed use of the Premises is in compliance with Article VI; or (ii) to a corporation or other business entity (herein sometimes referred to as a "related corporation") which shall control, be controlled by or be under common control with Tenant, provided that such related corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease (without relieving Tenant therefrom) and the proposed use of the Premises is in compliance with Article VI. In the event of any such assignment or subletting, Tenant shall remain fully liable as a primary obligor for the payment of all rent and other charges required hereunder and for the performance of all obligations to be performed by Tenant hereunder. For purposes of clause (ii) above, "control" shall be deemed to be ownership of more than fifty percent (50%) of the stock or other voting interest of the controlled corporation or other business entity. Notwithstanding the foregoing, if Tenant structures one or more assignment or sublease transactions to an entity that meets the definition of an Affiliate as specified above for the purpose of circumventing the restrictions on subleases and assignments provided elsewhere in this Article VII, then such subtenant(s) or assignee(s) shall conclusively be deemed not to be an Affiliate and subject to all such restrictions.

7.3 If at any time during the Lease Term Tenant desires to assign, sublet or mortgage all or part of this Lease or the Premises to any party other than an Affiliate of Tenant, then in connection with Tenant's request to Landlord for Landlord's consent thereto, Tenant shall give notice to Landlord in writing ("Tenant's Request Notice") containing: the identity of the proposed assignee, subtenant or other party and a description of its business; the terms of the proposed assignment, subletting or other transaction (including a copy of the proposed document for same); the anticipated commencement date of the proposed assignment, subletting or other transaction (the "Proposed Sublease Commencement Date"); the area proposed to be assigned, sublet or otherwise encumbered (the "Proposed Sublet Space"); audited financial statements (if available) for the prior two (2) years certified by an authorized officer of Tenant or a certified public accounting firm, or other evidence of financial responsibility of such proposed assignee, subtenant or other party; and a certification executed by Tenant and such party stating whether or not any premium or other consideration is being paid for the assignment, sublease or other transaction.

7.4 If either (i) the proposed term with respect to the Proposed Sublet Space is to extend (including any renewal or extension options) beyond the first (1st) day of the eighteenth (18th) calendar month before the then scheduled expiration of the Lease Term, or (ii) the Proposed Sublet Space is (or, when aggregated with other space then being sublet by Tenant, will be) more than fifty percent (50%) of the Premises and the term of the proposed sublease is for seventy-five percent (75%) or more of then-remaining Lease Term, then Landlord shall have the right in its sole and absolute discretion to terminate this Lease with respect to the Proposed Sublet Space by sending Tenant written notice of such termination within thirty (30) days after Landlord's receipt of Tenant's Request Notice. If the Proposed Sublet Space does not constitute the entire Premises and Landlord exercises its option to terminate this Lease with respect to the Proposed Sublet Space, then (a) Tenant shall tender the Proposed Sublet Space to Landlord on the Proposed Sublease Commencement Date and such space shall thereupon be deleted from the

Premises, and (b) as to that portion of the Premises which is not part of the Proposed Sublet Space, this Lease shall remain in full force and effect except that Base Rent and additional rent shall be reduced pro rata. Landlord shall perform at its cost any construction required to permit the operation of the Proposed Sublet Space separate from the balance of the Premises. If the Proposed Sublet Space constitutes the entire Premises and Landlord elects to terminate this Lease, then Tenant shall tender the Proposed Sublet Space to Landlord, and this Lease shall terminate, on the Proposed Sublease Commencement Date.

7.5 If any sublease or assignment (whether by operation of law or otherwise, including without limitation an assignment pursuant to the provisions of the Bankruptcy Code or any other Insolvency Law) provides that the subtenant or assignee thereunder is to pay any amount in excess of the sum of (a) the rent and other charges due under this Lease plus (b) the reasonable out-of-pocket expenses (excluding, however, any costs attributable to vacancy periods or "downtime"), which Tenant reasonably incurred in connection with the procurement of such sublease, assignment or other transfer (which expenses shall be amortized on a straight-line basis over the initial sublease term for the purposes hereof), then whether such net excess be in the form of an increased monthly or annual rental, a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, leasehold improvements, furniture and other personal property, or any other form of payment having the effect of a "disguised" rental payment (and if the subleased or assigned space does not constitute the entire Premises, the existence of such excess shall be determined on a pro-rata basis), Tenant shall pay to Landlord, along with the next monthly installment of Base Rent due, fifty percent (50%) of any such net excess or other premium applicable to the sublease or assignment, which amount shall be calculated and paid by Tenant to Landlord on a monthly basis as additional rent. Acceptance by Landlord of any payments due under this Section shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any sublease or assignment.

7.6 All restrictions and obligations imposed pursuant to this Lease on Tenant shall be deemed to extend to any subtenant, assignee, licensee, concessionaire or other occupant or transferee, and Tenant shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Each sublease is subject to the condition that if the Lease Term is terminated or Landlord succeeds to Tenant's interest in the Premises by voluntary surrender or otherwise, at Landlord's option the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease.

ARTICLE VIII MAINTENANCE AND REPAIRS

8.1 Subject to Landlord's obligations in Section 8.2 and Article XVII, Tenant, at Tenant's sole cost and expense, shall promptly make all repairs, perform all maintenance, and make all replacements in and to the Premises that are necessary or desirable to keep the Premises in proper operating condition and repair, in a clean, safe and tenantable condition, well-ventilated and moisture-controlled, and otherwise in accordance with all Laws and the requirements of this Lease. Subject to Landlord's obligations in Section 8.2 and Article XVII, Tenant shall maintain all fixtures, furnishings and equipment located in, or exclusively serving, the Premises in clean, safe and sanitary condition, shall take good care thereof and make all required repairs and replacements thereto. Tenant shall maintain throughout the Lease Term, at Tenant's sole cost and expense, all non-Building standard supplemental heating, ventilation and air conditioning equipment and systems serving exclusively the Premises, and any special tenant areas, facilities and finishes, special fire protection equipment, telecommunications and computer equipment, kitchen/galley equipment and fixtures, all other furniture, furnishings, equipment and systems of Tenant and all Alterations (collectively, "Tenant Items"). Tenant shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof, or any mold or moisture condition, of which Tenant has knowledge. Tenant shall suffer no waste or injury to any part of the Premises, and shall, at the expiration or earlier termination of the Lease Term, surrender the Premises in an order and condition equal to or better than their order and condition on the Lease Commencement Date, except for ordinary

wear and tear and as otherwise provided in Section 9.3, Article XIII or Article XVII. Except as otherwise provided in Article XIII and Article XVII, all injury, breakage and damage to the Premises and to any other part of the Building or the Land caused by any act or omission of any agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer, invitee or guest of Tenant (collectively, "Agents") or Tenant, shall be repaired by and at Tenant's expense, except that if either an emergency condition exists or the Lease Term has expired or Tenant fails to commence and diligently prosecute to completion repair of any such injury, breakage or damage within a reasonable period (not to exceed ten (10) business days) following Tenant's receipt of notice from Landlord, then Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all reasonable and actual out-of-pocket costs and expenses incurred in connection therewith. Landlord shall provide and install replacement tubes for Building standard fluorescent light fixtures (subject to reimbursement pursuant to Article V). All other bulbs and tubes for the Premises shall be provided and installed at Tenant's expense.

8.2 Except as otherwise provided in this Lease and subject to normal wear and tear, Landlord at its expense (subject to reimbursement pursuant to Article V if and to the extent permitted thereby) shall keep the exterior and common area walls, main lobby in the Building, slab floors, exterior windows, load bearing elements, foundations, roof and common areas that form a part of the Building, and the building standard mechanical, electrical, HVAC and plumbing systems, and pipes and conduits that are provided by Landlord in the operation of the Building (including those pipes and conduits provided by Landlord and located entirely or partially within the Premises and core restrooms on any floor leased in its entirety by Tenant or any other tenant) (collectively, the "Building Structure and Systems"), in clean and good operating condition consistent with the Comparable Standard (as defined in Section 14.1) and, promptly after becoming aware of any item needing repair, will make repairs thereto. Notwithstanding any of the foregoing to the contrary, maintenance and repair of all Tenant Items shall be the sole responsibility of Tenant and shall be deemed not to be a part of the Building Structure and Systems.

ARTICLE IX ALTERATIONS

9.1 The initial improvement of the Premises under this Lease shall be accomplished by Landlord or its designated contractor(s) in accordance with Exhibit B. Landlord is under no obligation to make any structural or other alterations, decorations, additions, installations, demolitions, improvements or other changes (collectively, "Alterations") in or to the Premises or the Building except as may be otherwise expressly provided in this Lease.

9.2 Tenant shall not make or permit anyone to make any Alterations in or to the Premises or the Building, without the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to structural Alterations and those non-structural Alterations which are visible from the exterior of the Premises, and which consent shall not be unreasonably withheld, conditioned or delayed with respect to all other non-structural Alterations. Structural Alterations shall be deemed to include, without limitation, any Alteration that will or may necessitate any changes, replacements or additions to the load-bearing or exterior walls, non-drop (i.e., the deck structure) ceilings, partitions (load-bearing or demising), columns or floor, or to the fire protection, water, sewer, waterproofing, windows, building skin, vertical transportation system, security, electrical, mechanical, plumbing, HVAC or any other base building systems, of the Premises or the Building. Notwithstanding the foregoing, Tenant shall have the right to make Cosmetic Changes (as defined below) within the Premises without requiring the consent of Landlord. "Cosmetic Changes" shall mean those minor, non-structural Alterations consistent with a first-class office building for which a building permit is not required, which cost (including installation) in the aggregate less than Seventy-Five Thousand Dollars (\$75,000) per project or series of related projects (as reasonably determined by Landlord), and which do not materially affect the mechanical, HVAC, electrical, structural or any other base building system. Any Alterations made by Tenant shall be made: (a) in a good, workerlike, first-class and prompt manner; (b) using new or comparable materials only; (c) by a contractor reasonably approved in writing by Landlord; (d) on days and at times reasonably approved in writing by Landlord; (e) under the supervision of an architect reasonably approved in writing by Landlord; (f) in accordance with plans and specifications prepared by an engineer and/or architect reasonably acceptable to

Landlord, which plans and specifications shall be approved in writing by Landlord (and Tenant shall reimburse Landlord for all of Landlord's actual out-of-pocket expenses; (g) in accordance with all Laws and in compliance with the Building rules and regulations and Landlord's standard operating procedures as adopted in good faith by Landlord from time to time; (h) after having obtained any required consent of the holder of any Mortgage of whom Tenant has notice; (i) after obtaining public liability and worker's compensation insurance policies reasonably approved in writing by Landlord; (j) with the obligation for Tenant to obtain and deliver to Landlord written, unconditional full or partial (as applicable) waivers of mechanics' and materialmen's liens against the Premises and the Building from all contractors, subcontractors, laborers and material suppliers for all work, labor and services to be performed and materials to be furnished in connection with Alterations within thirty (30) days after the applicable portion of the Alterations are completed by such contractor, subcontractor, laborer or material supplier; (k) upon request, after Tenant has delivered to Landlord documentation reasonably satisfactory to Landlord evidencing Tenant's financial ability to complete the Alteration in accordance with the provisions of this Lease; and (l) in accordance with the requirements of Article XIII. If any lien (or a petition to establish such lien) is filed in connection with any Alteration made by or on behalf of Tenant, such lien (or petition) shall be discharged by Tenant within ten (10) business days thereafter, at Tenant's sole cost and expense, by the payment thereof or by the filing of a reasonably acceptable bond. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building to any liens which may be filed in connection therewith. Tenant acknowledges that any Alterations are accomplished for Tenant's account, Landlord having no obligation or responsibility in respect thereof. Landlord's approval of any plans and drawings (and changes thereto) regarding any Alterations or any contractor or subcontractor performing such Alterations shall not constitute Landlord's representation that such approved plans, drawings, changes or Alterations comply with all Laws. Any deficiency in design or construction, although same had prior approval of Landlord, shall be solely the responsibility of Tenant. All Alterations involving structural, electrical, mechanical or plumbing work, the heating, ventilation and air conditioning system of the Premises or the Building, fire and life safety system, the roof of the Building or any other areas outside the Premises shall, at Landlord's election, be performed by Landlord's designated contractor or subcontractor at Tenant's expense (provided the cost therefor is competitive). In connection with any Alteration, Landlord shall be paid a construction supervision fee in an amount equal to five percent (5%) of the cost of such Alteration, if such cost is less than \$50,000, and three percent (3%) of the cost of such Alteration if such cost is \$50,000 or more. Promptly after the completion of an Alteration, Tenant at its expense shall deliver to Landlord three (3) sets of accurate as-built (or record) drawings and CAD files showing such Alteration in place. Notwithstanding anything contained in this Lease to the contrary, the performance of any Alterations pursuant to the provisions of this Article IX or of any other provisions of this Lease or the Exhibits hereto shall not be done in a manner which would create any work stoppage, picketing, labor disruption, disharmony or dispute or any similar interference with the business of Landlord or any tenant or occupant of the Building. Tenant shall immediately stop the performance of any Alterations or other activity if Landlord notifies Tenant that continuing such Alteration or activity would create any work stoppage, picketing, labor disruption, disharmony or dispute or any similar interference with the business of Landlord or any tenant or occupant of the Building.

9.3 If any Alterations that require Landlord's consent are made without the prior written consent of Landlord, then, if either an emergency condition exists, or the Lease Term has expired, or Tenant fails to commence and diligently prosecute to completion, removal and correction of such Alterations and restoration of the Premises and the Building to their condition immediately prior thereto within a reasonable period (not to exceed twenty (20) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right, at Tenant's expense, to so remove and correct such Alterations and restore the Premises and the Building. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term; provided, however, that (a) if Tenant is not in default under this Lease beyond the expiration of applicable notice and cure periods set forth in this Lease, then Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture, furnishings and equipment installed in the Premises solely at the expense of Tenant, and (b) Tenant shall remove and restore at its expense all any structural or base building specialty installations (and all slab penetrations) and remove

cabling and any other Alterations and other items (including any telecommunications equipment and wiring) in the Premises or the Building which Landlord requests and designates in writing for removal; provided, however, Tenant shall not be required to remove any of the improvements made in initially finishing and completing the Premises in accordance with the Premises in Exhibit B or any Cosmetic Alterations or any Alterations consisting of standard office buildout items that are typically installed by similar tenants in multi-tenanted, multi-story, first class office buildings (such as partitions, but not interior staircases, for example) except for all structural or base building specialty installations (and all slab penetrations) and telecommunications equipment and wiring. Landlord shall make such designation promptly after receipt of a written request by Tenant given with Tenant's request for Landlord's approval of such Alteration (and in any event not later than its approval). Movable furniture, furnishings and trade fixtures shall be deemed to exclude without limitation any item the removal of which might cause damage to the Premises or the Building. If such removal causes damage or injury to the Premises or the Building, then, if either an emergency condition exists, or the Lease Term has expired, or Tenant fails to repair the same within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right, at Tenant's expense, to repair all damage and injury to the Premises or the Building caused by such removal as aforesaid. If such furniture, furnishings and equipment are not removed by Tenant prior to the expiration or earlier termination of the Lease Term, the same shall at Landlord's option be deemed abandoned or become the property of Landlord to be surrendered with the Premises as a part thereof; provided, however, that Landlord shall have the right at Tenant's expense to remove from the Premises any or all such items, any Alteration or any other item or to require Tenant to do the same, except as otherwise provided in this Section. If Tenant fails to return the Premises to Landlord as required by this Section, then Tenant shall pay to Landlord all costs (including a construction management fee) incurred by Landlord in effectuating such return.

9.4 Subject to the satisfaction of all applicable provisions of this Lease and the conditions in this Section, Tenant shall have the right, at Tenant's sole risk, cost and expense, to install, maintain repair and replace in a designated location on the roof of the Building not to exceed five (5) square feet in size) (the "Satellite Area") one (1) satellite dish antennae and one (1) vertical masted or whip antenna (collectively, the "antenna") (or reasonable replacement equipment as a result of technological evolution so long as the same is no larger), together with the cables extending from such antenna to the Premises through conduits provided between the main telephone room for the Building and Tenant's main telephone/LAN room and provided Tenant shall have utilization of each such facility or area in no greater proportion than the ratio by which the square feet of rentable area in the Premises compares to the square feet of rentable area in the Building). The location, size, weight, and height of the antenna and the manner of the initial installation of the same shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld. The installation of such antenna and all related wiring and equipment shall be performed under the supervision of Landlord's designated representative at Tenant's cost. Notwithstanding the foregoing, Tenant shall not be entitled any antenna (i) which is greater than two feet (2') in diameter, (ii) which is more than three feet (3') in height, (iii) if such installation would adversely affect (or in a manner that would adversely affect) any warranty with respect to the roof or structure of the Building, (iv) if such installation would adversely affect (or in a manner that would adversely affect) the structure or any of the building systems of the Building, or if such installation would require (or in a manner that would require) any structural alteration to the Building, or if such installation would disturb the roof membrane or make any other penetration on the roof or the exterior facade of the Building, unless Landlord in its sole and absolute discretion approves in writing such structural alteration, (v) if such installation would violate (or in a manner that would violate) any covenant, condition, or restriction of record affecting the Building or any applicable federal, state or local law, rule or regulation, (vi) unless all required approvals and consents of all holders of Mortgages encumbering the Building of whom Tenant has notice are obtained (to the extent required by the loan documents and requested by Landlord), (vii) unless Tenant has obtained and maintains at Tenant's expense, and has submitted to Landlord copies of, all permits, licenses, special zoning variances, authorizations and approvals relating to such antenna and such installation and maintenance (including, without limitation, any permit required if a crane is necessary to place such antenna on the roof) and pays all taxes and fees related thereto, (viii) unless such antenna is white or of a beige or lighter color (or otherwise appropriately screened), (ix) unless such antenna is installed, at Tenant's sole cost and expense, by a qualified contractor chosen by Tenant

and approved in advance by Landlord, which approval shall not be unreasonably withheld, (x) if the installation or operation would interfere with or disrupt the use or operation of any other equipment (including antennae) on the roof of the Building on the Lease Commencement Date, (xi) unless Tenant obtains Landlord's prior consent to the manner and time in which such installation work is to be done; and (xii) unless screened from view from the grounds adjacent to the Building in a manner and with materials reasonably acceptable to Landlord. All plans and specifications concerning such installation shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, and Tenant shall reimburse Landlord's reasonable and customary expenses incurred in such review. All maintenance, repairs and installations required after the initial installation of the antenna also shall be subject to Landlord's prior written reasonable approval which approval shall be at Tenant's sole cost and expense. Any failure to complete the installation of the antenna and related equipment shall not delay the Lease Commencement Date. Tenant shall have no right to any abatement or reduction in the Base Rent, additional rent or any other sums due or payable under this Lease if for any reason Tenant is unable to obtain any required approval for installation of an antenna, or is thereafter unable to use the antenna for any reason.

(a) Tenant shall not have access to any such antenna without Landlord's prior consent, which consent shall be reasonably granted to the extent necessary for Tenant to perform its maintenance, repair and replacement obligations hereunder only and only if Tenant is accompanied by Landlord's representative (if Landlord so requests and no emergency circumstances required otherwise) and it being expressly understood, however, that such access may be delayed or denied due to circumstances beyond Landlord's control (such as approval by the United States Secret Service or the United States Capitol Police of all requests for access to the roof due to the Building's proximity to the Capitol Building, Congressional Offices and the White House). Any such access by Tenant shall be subject to reasonable rules and regulations relating thereto established from time to time by Landlord, including without limitation rules and regulations prohibiting such access unless Tenant is accompanied by Landlord's representative. Landlord shall have the right to access the Satellite Area at all times.

(b) At all times during the Lease Term, Tenant shall (i) perform maintenance and repairs so as to keep all said equipment in clean, good and safe condition and in a manner that avoids interference with or disruption to Landlord and other tenants of the Building, (ii) comply with all requirements of laws, ordinances, rules and regulations of all public authorities and insurance companies which shall impose any order or duty upon Landlord with respect to or affecting the antenna or wiring out of Tenant's use or manner of use thereof, and (iii) register the equipment, if required, with appropriate governmental authorities and keep same current. All repairs and maintenance shall be performed by a qualified contractor reasonably approved by Landlord. Tenant shall pay and discharge all out-of-pocket costs and expenses actually incurred by Landlord in connection with the furnishing, installation, maintenance, operation and removal of the antenna within ten (10) days after written demand. All repairs and maintenance to the Building made necessary by reason of the furnishing, installation, maintenance, operation or removal of the antenna or any replacements thereof (including, without limitation, any invalidation of the roof warranty due to the antenna or Tenant's actions) shall be at Tenant's sole cost. If the operation of the antenna shall require electrical power, Landlord may, at its sole option, install a separate meter, at Tenant's sole expense, to measure such electrical consumption and Tenant shall pay for such consumption at the then-current price per kilowatt hour charged Landlord by the utility. At the expiration or earlier termination of the Lease Term, or upon termination of the operation of the antenna and related equipment as provided in subsection (e) below, Tenant shall remove such antenna and related equipment from the Building and surrender the Satellite Area in good condition, ordinary wear and tear and damage by fire, casualty and the elements excepted. If Tenant fails to so remove the antenna and equipment in accordance with the foregoing, Landlord shall have the right to remove and dispose of such antenna and equipment, at Tenant's sole cost and expense, and Landlord shall have no liability therefor.

(c) Upon at least thirty (30) days' prior written notice to Tenant, Landlord shall have the right to require Tenant to relocate the antenna to another location of equivalent size; provided, however, that such relocation: (i) does not adversely affect the operation of the antenna; and (ii) can be performed without any interruption in service. Any such relocation shall be performed by Tenant at Landlord's expense, and in accordance with all of the requirements of this Section. Nothing in this Section shall be construed as granting Tenant any line of sight

easement with respect to such satellite dish antenna; provided, however, that if Landlord requires that such antenna be relocated in accordance with the preceding two (2) sentences, then Landlord shall provide either (i) the same line of sight for such antenna as was available prior to such relocation, or (ii) a line of sight for such antenna which is functionally equivalent to that available prior to such relocation.

(d) It is expressly understood that by granting Tenant the rights under this Section 9.4, Landlord makes no representation as to the legality of such antenna or its installation. In the event that any federal, state, county, regulatory or other authority requires the removal or relocation of such antenna, Tenant shall remove or relocate such antenna at Tenant's sole cost and expense, and Landlord shall under no circumstances be liable to Tenant therefor. In addition, at Landlord's sole option and discretion, Landlord may require Tenant, at any time prior to the expiration or earlier termination of this Lease, to terminate the operation of the antenna and related equipment if it is causing physical damage to the structural integrity of the Building, or causing the violation of any condition or provision of this Lease. The right granted to Tenant under this Section is a non-exclusive, non-transferable (other than to an Affiliate or in connection with an assignment of this Lease in its entirety pursuant to Article VII), right to use the Satellite Area solely in accordance with terms and conditions of this Section.

(e) Tenant shall indemnify and hold Landlord harmless from and against all costs, damages, claims, liabilities and expenses (including attorneys' fees) suffered by or claimed against Landlord, directly or indirectly, based on, arising out of or resulting from any act or omission by Tenant or Tenant's Agents, with respect to the installation, use, operation, maintenance, repair, removal or disassembly of such antenna and related equipment (including, without limitation, any damage to other wires or equipment of the Building or other tenants/occupants of the Building).

(f) The antenna may be used by Tenant (or an Affiliate) only in the conduct of Tenant's customary business. No assignee or subtenant (other than an Affiliate) shall have any rights pursuant to this Article.

(g) Tenant shall maintain such insurance (in addition to that required by Article XIII of this Lease) as is appropriate with respect to the installation, operation and maintenance of the antenna. Landlord shall have no liability on account of any damage to or interference with the operation of the antenna, except for physical damage caused by Landlord's gross negligence or willful misconduct not covered by Tenant's insurance carried or required to be carried by said Article XIII, and Landlord expressly makes no representations or warranties with respect to the capacity for an antenna placed on the roof of the Building to receive or transmit signals. The operation of the antenna shall be at Tenant's sole and absolute risk. Tenant shall in no event interfere with the use of any other communications equipment located on the roof of or anywhere else in the Building as of the date Tenant's antenna installation commences and will reasonably cooperate with Landlord, at no cost or expense to Tenant, to avoid interference with any other antennas or equipment installed in the future.

(h) To the extent that Tenant's antenna installed pursuant to this Section 9.4 is a typical satellite dish not exceeding twenty-four (24) inches in diameter and twenty-four inches (24") in height, and is being used exclusively for Tenant in connection with Tenant's customary business. Tenant shall not be required to pay a fee in connection with Tenant's exercise of its rights hereunder.

ARTICLE X SIGNS

10.1 Landlord will list, at Landlord's expense, the name of Tenant (and any permitted subtenants and assignees including the Day One Subtenants) and its (their) employees in the Building directory (not to exceed ten (10) such listings) and will provide, at Landlord's expense, Building standard signage on one suite entry door and directional signage in the elevator lobby of any floor partially occupied by Tenant. Notwithstanding the foregoing, Landlord hereby approves the use of Tenant's logo and stylized lettering on the suite entry door to the Premises provided the same is substantially similar to the logo and stylized lettering depicted on Exhibit I attached hereto. Tenant shall not place, inscribe, paint, affix or otherwise display any sign, advertisement, picture, lettering or notice of any kind on any part of the exterior or interior of the

Building (including windows and doors), or on any part of the interior of the Premises which can be seen from outside the Premises, without the prior written approval of Landlord, which may be granted or withheld in Landlord's sole and absolute discretion. If any such item that has not been approved by Landlord is so displayed, then, if either an emergency condition exists or the Lease Term has expired or Tenant fails to remove such items within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right to remove such item at Tenant's expense. Landlord reserves the right to install and display signs, advertisements and notices on any part of the exterior or interior (not including within the Premises, unless required by Laws or necessary for Building operation) of the Building.

ARTICLE XI SECURITY DEPOSIT

11.1 Simultaneously with Tenant's execution of this Lease, Tenant shall post a letter of credit security deposit with Landlord, in a form and from a bank and otherwise satisfying all terms and conditions set forth in Section 11.3 below, in the amount of the Security Deposit Amount (the "L/C Deposit" or "Letter of Credit"). Said L/C Deposit shall be security for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under this Lease. If cash proceeds from the Letter of Credit are being held by Landlord (or its lender), Landlord shall not be required to maintain such security deposit in a separate account. Except as may be required by law, Tenant shall not be entitled to interest on the security deposit. Within approximately thirty (30) days after the later of the expiration or earlier termination of the Lease Term or Tenant's vacating the Premises, Landlord shall return the Letter of Credit and any proceeds drawn from the Letter of Credit in accordance with the terms hereof, less such portion thereof as Landlord shall have appropriated to satisfy any of Tenant's obligations under this Lease, or to satisfy an Event of Default (or such other event which, with the giving of notice or the passage of time or both, would constitute an Event of Default) under this Lease. If there shall be any Event of Default (or such other event) under this Lease, then Landlord shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (a) Base Rent, additional rent or any other sum applicable to such event, or (b) amount Landlord may spend or become obligated to spend, or for the compensation of Landlord for any losses incurred, by reason of such event (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the security deposit (whether in cash or letter of credit form) is so used or applied, then within three (3) business days after Landlord gives written notice to Tenant of such use or application, Tenant shall deposit with Landlord cash in an amount sufficient to restore the security deposit to the original Security Deposit Amount, and Tenant's failure to do so shall constitute an Event of Default under this Lease.

11.2 If and so long as Landlord transfers the security deposit to any purchaser or other transferee of Landlord's interest in the Property, then Tenant shall look only to such purchaser or transferee for the return of the security deposit, and Landlord shall be released from all liability to Tenant for the return of such security deposit only after written notice to Tenant of said transfer of Landlord's interest in the Property. Tenant acknowledges that the holder of any Mortgage shall not be liable for the return of any security deposit made by Tenant hereunder unless such holder actually receives such security deposit. Tenant shall not pledge, mortgage, assign or transfer the security deposit or any interest therein.

11.3 Tenant shall deliver to Landlord a clean, unconditional, irrevocable letter of credit meeting the following terms and conditions. Such letter of credit shall be: (a) in form and substance satisfactory to Landlord in its sole discretion (with the following criteria at a minimum); (b) at all times in the stated face amount of not less than the Security Deposit Amount in effect from time to time, and shall on its face state that multiple and partial draws are permitted and either (i) that partial draws will not cause a corresponding reduction in the stated face amount of the letter of credit or (ii) that, within five (5) business days after any such partial draw, the issuer will notify Landlord in writing that the letter of credit will not be reinstated to its full amount in which event Landlord shall have the right to immediately draw on the remainder of the letter of credit (it being understood that the total security deposit on hand, whether in cash or letter of credit form, shall at all times be not less than the total Security Deposit Amount as so defined); (c) issued by a commercial bank acceptable to Landlord from time to time and located in the Washington, D.C. metropolitan area for the account of Tenant, and its permitted successors and assigns under this Lease; (d) made payable to, and expressly

transferable and assignable one or more times at no charge by, the owner from time to time of the Building or its lender (which transfer/assignment shall be conditioned only upon the execution of a reasonable and customary written document in connection therewith), whether or not the original account party of the letter of credit continues to be the tenant under this Lease by virtue of a change in name or structure, merger, assignment, transfer or otherwise; (e) payable at sight upon presentment to a Washington, D.C. metropolitan area branch of the issuer of a simple sight draft stating only that Landlord is permitted to draw on the letter of credit under the terms of the Lease and setting forth the amount that Landlord is drawing; (f) of a term not less than one year, and shall on its face state that the same shall be renewed automatically, without the need for any further written notice or amendment, for successive minimum one-year periods, unless the issuer notifies Landlord in writing, at least sixty (60) days prior to the expiration date thereof, that such issuer has elected not to renew the Letter of Credit (which will thereafter entitle Landlord to draw on the letter of credit); and (g) at least thirty (30) days prior to the then-current expiration date of such letter of credit, either (1) renewed (or automatically and unconditionally extended) from time to time through the ninetieth (90th) day after the expiration of the Lease Term, or (2) replaced by Tenant with cash, or another letter of credit meeting the requirements of this Section, in the full amount of the Security Deposit. Tenant shall cooperate with Landlord to effect any modifications, transfers or replacements of the letter of credit requested by Landlord in order to assure that Landlord is at all times fully secured by a valid letter of credit that may be drawn upon by Landlord, its successors and assigns. Notwithstanding anything in this Lease to the contrary, any cure or grace period set forth in Section 19.1 shall not apply to any of the foregoing requirements of the Letter of Credit, and, specifically, if any of the aforesaid requirements are not complied with timely, then an immediate Event of Default shall occur and Landlord shall have the right to immediately draw upon the letter of credit without notice to Tenant and apply the proceeds to the security deposit. Each Letter of Credit shall be issued by a commercial bank that has a credit rating with respect to certificates of deposit, short term deposits or commercial paper of at least A-2 (or equivalent) by Moody's Investor Service, Inc., or at least P-2 (or equivalent) by Standard & Poor's Corporation, and shall be otherwise acceptable to Landlord in its sole and absolute discretion. If the issuer's credit rating is reduced below A-2 (or equivalent) by Moody's Investors Service, Inc. or below P-2 (or equivalent) by Standard & Poor's Corporation, or if the financial condition of such issuer changes in any other materially adverse way, then Landlord shall have the right to require that Tenant obtain from a different issuer a substitute letter of credit that complies in all respects with the requirements of this Section, and Tenant's failure to obtain such substitute letter of credit within ten (10) business days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) shall entitle Landlord to immediately draw upon the then existing Letter of Credit in whole or in part, without notice to Tenant. In the event the issuer of any letter of credit held by Landlord is insolvent or is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation, or any successor or similar entity, or if a trustee, receiver or liquidator is appointed for the issuer, then, effective as of the date of such occurrence, said Letter of Credit shall be deemed to not meet the requirements of this Section, and, within ten (10) business days thereof, Tenant shall replace such Letter of Credit with other collateral acceptable to Landlord in its sole and absolute discretion (and Tenant's failure to do so shall, notwithstanding anything in this Lease to the contrary, constitute an Event of Default for which there shall be no notice or grace or cure periods being applicable thereto other than the aforesaid ten (10) business day period). Any failure or refusal of the issuer to honor the letter of credit shall be at Tenant's sole risk and shall not relieve Tenant of its obligations hereunder with respect to the security deposit.

11.4 Provided that, as of the first day of the fourth Lease Year (the "Adjustment Date"), no Material Event of Default exists under this Lease, the Security Deposit Amount applicable following such Adjustment Date shall be reduced by the sum of One Hundred Thirty-Two Thousand Seven Hundred Fifty-Two and 55/100 Dollars (\$132,752.55) upon written notice to Landlord. If the aforesaid condition is met for such Adjustment Date, Landlord shall so reduce the Security Deposit Amount. Such reduction shall occur by means of delivery by Tenant to Landlord of a substitute Letter of Credit in the applicable amount (or an acceptable amendment to the existing Letter of Credit) and in strict conformity with the terms of Section 11.3. If the aforesaid condition is not met as of such Adjustment Date, then provided not more than two (2) Material Events of Default shall have occurred prior to such Adjustment Date, Landlord agrees to reduce the Security Deposit on the date following the Adjustment Date upon which Tenant cures the Material Event of Default in existence on the Adjustment Date.

ARTICLE XII

INSPECTION

12.1 Tenant shall permit Landlord, its agents and representatives, and the holder of any Mortgage, to enter the Premises at any time and from time to time, without charge therefor and without diminution of the rent payable by Tenant, in order to examine, inspect or protect the Premises and the Building, to make such alterations and/or repairs as in the sole but reasonable judgment of Landlord may be deemed necessary or desirable and otherwise permitted pursuant to this Lease, or to exhibit the same to brokers, prospective tenants (during the last twenty-four (24) months of the Lease Term), lenders, purchasers and others. Landlord shall (a) give Tenant commercially reasonable advance notice of any such entry (except that in the event of emergency where no prior notice is practical, no such prior notice shall be required) and (b) permit Tenant to have a representative present at such time; and to minimize disruption to Tenant's normal business operations in the Premises in connection with any such entry (but same shall not prohibit Landlord from performing maintenance and repairs during business hours and that Landlord shall have no obligation to employ overtime or other premium pay labor or other costs in connection therewith). Landlord shall, at its cost, repair any damage to the Premises and restore the affected area to its condition as existed prior to Landlord's entry to the extent damage to the Premises is caused by Landlord's activities during Landlord's entry.

ARTICLE XIII

INSURANCE

13.1 Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the Premises or the Building, which will in any way increase the rate of property insurance or other insurance on the Building. If any increase in the rate of property or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay as additional rent due hereunder the amount of such increase. The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof.

13.2 (a) Throughout the Lease Term, Tenant shall obtain and maintain: (1) commercial general liability insurance (Bodily Injury and Property Damage)(written on an occurrence basis) including contractual liability coverage insuring the obligations assumed by Tenant under this Lease (including those set forth in Section 15.2), premises and operations coverage, independent contractors coverage, and personal and advertising injury coverage, an exception to any pollution exclusion which insures damage or injury arising out of heat, smoke or fumes from a hostile fire, and a standard separation of insureds provision; (2) business interruption insurance; (3) all-risk property insurance; (4) comprehensive automobile liability insurance (covering automobiles owned, hired or used by Tenant in carrying on its business, if any); (5) statutory worker's compensation insurance (covering Tenant's employees); (6) employer's liability insurance (covering Tenant's employees); (7) umbrella and/or excess liability coverage on a true following form basis in excess of the primary commercial liability, business auto liability, and employer's liability coverages specified above and which insures against bodily injury, property damage, personal injury and advertising injury claims; and (8) boiler and machinery insurance against loss or damage from an accident from equipment, including any Tenant Items. Such commercial general liability insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in amounts less than One Million Dollars (\$1,000,000) combined single limit per occurrence, Two Million Dollars (\$2,000,000) annual general aggregate (on a per location basis), Two Million Dollars (\$2,000,000) products/completed operations aggregate, One Million Dollars (\$1,000,000) personal and advertising injury liability, One Hundred Thousand Dollars (\$100,000) fire damage legal liability, and Five Thousand Dollars (\$5,000) medical payments. Such business interruption insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than the annual Base Rent then in effect. Such property insurance shall be in an amount not less than that required to replace all tenant improvements installed in the Premises, all Alterations and all other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations,

furnishings, inventory, equipment and personal property, as well as any Tenant Items). Such automobile liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) combined single limit for each accident. Such worker's compensation insurance shall be in minimum limits as defined by the law of the jurisdiction in which the Building is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident, One Million Dollars (\$1,000,000) disease-policy limit, and One Million Dollars (\$1,000,000) disease-each employee. Such umbrella excess liability insurance shall be in minimum amounts of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate, in addition to the limits stated above for the commercial general liability, business auto liability and employer's liability insurance. Such boiler and machinery coverage shall be in minimum amounts typically covered by prudent tenants engaged in similar operations. Such builder's risk insurance shall be on a form covering Landlord, Landlord's architects, Landlord's contractor or subcontractors, Tenant and Tenant's contractors, as their interest may appear, against loss or damage by fire, vandalism, and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Alterations or Tenant Work in place and all materials stored at the Premises, and all materials, equipment, supplies and temporary structures of all kinds incident to Alterations or Tenant Work and builder's machinery, tools and equipment, all while forming a part of, or on the Premises, or when adjacent thereto, while on drives, sidewalks, streets or alleys, all on a completed value basis for the full insurable value at all times, which shall contain an express waiver of any right of subrogation by the insurer against Landlord, its agents, employees and contractors.

(b) All such insurance shall: (1) be issued by a company that is licensed to do business in the jurisdiction in which the Building is located, that has been approved in advance by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and that has a rating equal to or exceeding A:XII from the most current Best's Insurance Guide; (2) name Landlord, any and all assigned and/or applicable entities specific to the ownership of the Building, Landlord's advisors, the managing agent of the Building and the holder of any Mortgage, in each case of whom Landlord gives notice to Tenant (and who initially will be Republic Property Trust and Corus Bank as additional insureds and/or loss payees (as applicable and as their interests may appear) and any other parties with an insurable interest that Landlord may designate from time to time (the "Landlord Insured Parties"); (3) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss (Tenant hereby waiving its right of action and recovery against and releasing Landlord and Landlord's affiliates, shareholders, partners, directors, officers, employees, agents and representatives ("Landlord's Representatives") from any and all liabilities, claims and losses for which they may otherwise be liable to the extent Tenant is covered by insurance carried or required to be carried under this Lease); (4) provide that the insurer thereunder waives all right of recovery by way of subrogation against Landlord and Landlord's Representatives in connection with any loss or damage covered by such policy; (5) be acceptable in form and content to Landlord which approval shall not be unreasonably withheld if the other requirements of this Article are satisfied; (6) be primary and non-contributory; and (7) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or material change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice (by certified or registered mail, return receipt requested) of such proposed action. No such policy shall contain any deductible provision except as otherwise approved in writing by Landlord, which approval shall not be unreasonably withheld. Landlord reserves the right from time to time to reasonably require higher minimum amounts or different types of insurance if it becomes customary for other landlords of comparable office buildings in the Washington, D.C. area to require similar tenants in similar industries to carry insurance of such higher minimum amounts or of such different types. Tenant shall deliver an Acor 25 certificate with respect to all liability and personal property insurance and an Acor 28 certificate with respect to all commercial property insurance (which certificates shall include an endorsement for each policy indicating that the Landlord Insured Parties are named as additional insureds on liability policies (except employer's liability and workers' compensation) and that Landlord is named as a loss payee on the property insurance policies with respect to Landlord's interest in improvements and betterments) and receipts evidencing payment therefor (and, upon request, copies of all required insurance policies, including endorsements and declarations) to Landlord on or before the Lease Commencement Date and at least annually thereafter. If Tenant fails to provide evidence of insurance required to be provided

by Tenant hereunder, prior to commencement of the Lease Term and thereafter within thirty (30) days following Landlord's request during the Lease Term (and in any event within thirty (30) days prior to the expiration date of any such coverage, any other cure or grace period provided in this Lease not being applicable hereto), Landlord shall be authorized (but not required) after ten (10) days' prior notice to procure such coverage in the amount stated with all costs thereof to be chargeable to Tenant and payable as additional rent upon written invoice therefor.

13.3 Landlord agrees to carry and maintain all-risk property insurance (with replacement cost coverage) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Landlord hereby waives its right of recovery against Tenant and releases Tenant from any and all liabilities, claims and losses for which Tenant may otherwise be liable to the extent Landlord is covered by insurance carried or required to be carried under this Lease. Landlord shall secure a waiver of subrogation endorsement from its insurance carrier. Landlord also agrees to carry and maintain commercial general liability insurance in limits it reasonably deems appropriate (but in no event less than the limits required by Tenant pursuant to Section 13.2). Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, Tenant's personal property or any Alterations (including, without limitation, the Tenant Work), and that Landlord shall not carry insurance against, or be responsible for any loss suffered by Tenant due to, interruption of Tenant's business.

ARTICLE XIV SERVICES AND UTILITIES

14.1 Landlord shall manage and operate (or cause to be managed and operated) the Building (including the Parking Facility, as defined in Section 25.1) in a manner consistent with comparable class office buildings in the Market Area (the "Comparable Standard"). From and after the Lease Commencement Date, Landlord will provide to the Premises: air-conditioning and heating during Building Hours and during the seasons they are required in Landlord's reasonable judgment substantially in accordance with the specifications contained in Schedule I to Exhibit B of this Lease janitorial service after 5:30 p.m. on Monday through Friday (or, at Landlord's option, Sunday through Thursday) only (excluding Holidays) substantially in accordance with Exhibit G, electric power from the utility provider for customary lighting purposes and normal office use and otherwise in accordance with the specifications contained in Schedule I of Exhibit B; standard hot and cold water in Building standard bathrooms and chilled water in Building standard drinking fountains; elevator service (with at least one (1) elevator in operation at all times, except in the event of an emergency); landscaping and snow removal during the seasons they are required; and interior and exterior window-cleaning service. If Tenant requires air-conditioning or heat beyond the Building Hours, then Landlord will furnish the same, provided Tenant gives Landlord at least twenty-four (24) hours advance notice of such requirement for extra services needed Monday through Saturday and at least forty-eight (48) hours advance notice of such requirement for extra services needed on Sunday. Tenant shall pay for such extra service in accordance with Landlord's then-current schedule, which shall reflect Landlord's cost of providing such service (including, without limitation, a reasonable activation fee, recovery of overhead, and accelerated depreciation of Building systems expected by such additional use of Building systems) without a profit increment. Landlord's current after-hours HVAC charge is \$75.00 per hour, with a four (4) hour minimum. To the extent Tenant provides or contracts for any services relating to any Building Structure or System or any service or utility being provided by Landlord (including, without limitation, extermination and janitorial services) to the Premises directly from the supplier (which Tenant shall not be permitted to do without Landlord's prior written consent, which consent shall not be unreasonably withheld conditioned or delayed), Tenant shall enter into and maintain a service contract therefor with a contractor licensed to do business in the jurisdiction in which the Building is located and otherwise approved by Landlord and consistent with Building standard operating procedures as adopted by Landlord from time to time. Tenant shall have access to the Building twenty-four (24) hours per day each day of the year (except in the event of an emergency). Landlord shall provide a card key (or similar type of) access system to provide access to the Building and the Parking Facility (defined in Section 24.1) at times other than Building Hours. Landlord shall provide one (1) access card to each of Tenant's full-time employees whose employment requires their attendance in the Premises at least fifty percent (50%) of the time, but in no event more than four (4) access

cards per each 1,000 square feet of rentable area in the Premises shall be provided to Tenant at no cost to Tenant (except that Landlord may charge Tenant for replacement cards in an amount equal to the actual cost incurred by Landlord therefor). Such access cards shall be issued by Landlord to the specific individuals that are designated by Tenant in writing at least thirty (30) days in advance of Tenant's initial occupancy of the Premises. Tenant shall not permit anyone, except for Tenant's employees, permitted subtenants and assigns and authorized guests, to enter the Building at times other than the Building Hours. All persons entering or exiting the Building at times other than the normal hours of operation of the Building shall, at Landlord's discretion, be required to sign in and out.

14.2 Landlord may install, at Landlord's expense, checkmeters to electrical circuits serving Tenant's equipment to verify that Tenant is not consuming excessive electricity (as defined below). If such checkmeters indicate that Tenant's electricity consumption is excessive, then Landlord may install at Tenant's expense submeters to ascertain Tenant's actual electricity consumption, and Tenant shall thereafter pay for such excess consumption at the then-current rates charged by the electric service provider selected and used by Landlord (or, at Landlord's sole option, Tenant shall thereafter pay for Tenant's entire consumption at such rates, with Landlord making an appropriate adjustment to Operating Charges on account thereof). Tenant's electricity consumption shall be deemed excessive if the electricity consumption in the Premises per square foot of rentable area (including, without limitation, electricity consumed in connection with outlets and lighting use) during any three (3) month billing period exceeds the average electricity consumption per square foot of rentable area during the same period for typical, similarly situated tenants in the Building, as reasonably calculated by Landlord in good faith. Landlord shall use commercially reasonable efforts not to make determinations of excessive consumption of electricity in a manner which unreasonably discriminates among similarly situated tenants.

14.3 Tenant shall reimburse Landlord for the cost of any excess water, sewer and chiller usage in the Premises. Excess usage shall mean the excess of the estimated usage in the Premises (per square foot of rentable area) during any three (3) month billing period over the average usage (per square foot of rentable area) during the same period for the entire Building, as reasonably calculated by Landlord in good faith.

14.4 Landlord shall provide the following amenities to Tenant and its employees at no additional cost to Tenant or its employees (other than recovery of Operating Charges and Office Specific Charges as set forth herein):

(a) Fitness Facility: the non-exclusive right to use the unstaffed fitness facility in the Building (the "Fitness Facility") during the Fitness Facility's hours of operation (which shall at a minimum be the Building Hours). Use of the Fitness Facility will be limited to tenants (including any permitted assignees and subtenants) of the Building and their employees on a non-exclusive basis. Tenant and its employees shall use the Fitness Facility at its own risk and will provide any certifications of waiver of liability as Landlord may request from time to time. Without limiting the generality of the foregoing, each user of the Fitness Facility shall be required to execute and deliver a waiver of liability in the form attached hereto as Exhibit E (or in another similar form provided by and acceptable to Landlord). Notwithstanding anything in this Lease to the contrary, Landlord shall have the right at any time, in its sole and absolute discretion to staff the Fitness Facility (or not) and contract or terminate any party hired in connection therewith. If Landlord elects to staff the Fitness Facility, then Landlord shall have the right to provide for the operation of the Fitness Facility by a third party via management agreement, lease or other arrangement. To the extent the Fitness Facility is operated by a third party, Landlord shall use commercially reasonable efforts to obtain membership discounts for the benefit of Tenant's employees and to replace the operator should operations cease. In the event Landlord establishes a managed fitness center concept, Landlord or the operator may charge customary rates for the use of the Fitness Facility; provided, however, that to the extent any rent is recouped by Landlord or operating charge is paid to Landlord from the operator, then, notwithstanding anything in Article V to the contrary, Operating Charges shall be proportionately reduced by Landlord so that Tenant does not pay twice for the same expense (it also being understood that the rates charged, in the aggregate, to all employees of Tenant for use of the Fitness Facility under such managed fitness center concept shall be approximately equivalent to the amount charged by Landlord under Operating Charges prior to conversion of the Fitness Facility to a managed fitness center concept)(i.e., whether the same is being paid as

an aggregate amount by Tenant through a component of Operating Charges or paid by Tenant or its employees on a per person basis).

(b) Concierge: the non-exclusive right to use the Building's concierge service during Building Hours. Use of the Concierge service will be limited to tenants (including any permitted assignees and subtenants) of the Building on a non-exclusive basis. Concierge service costs shall be included in Office Specific Charges.

(c) Courtyard: Tenant shall have the non-exclusive right to utilize on an occasional basis the enclosed courtyard area located adjacent to G Street outside the Building ("Courtyard") but only (i) to the extent permitted by applicable law, and (ii) in accordance with all applicable provisions of this Lease. In addition to the insurance and indemnity requirements set forth in this Lease, Tenant's all-risk insurance policy shall cover all activities in the Courtyard. If an Event of Default occurs under this Lease, Landlord reserves the right, in its sole and absolute discretion, and in addition to all other rights and remedies available to Landlord under this Lease, at law and in equity, to revoke Tenant's license to use the Courtyard at any time. Landlord, in its sole discretion, may restrict access to the Courtyard during those periods when it is reserved for a private function or necessary to close the Courtyard for repairs, maintenance or safety reasons. The Courtyard will be available for reservation to all tenants of the Building in a fair and equitable allocation and on a first-come first-serve basis. There may be certain dates designated by Landlord which are not available for reservations by particular tenants but instead shall be open to all tenants, such as the Fourth of July or Inauguration Day. Without limiting the foregoing, it is understood that the Courtyard remains a common area of the Building and Tenant's rights to use the same are subject to and in common with the rights of use thereof for pedestrian passage by such of the customers, employees and invitees of tenants of the Building.

Use of the amenities referenced in this Section shall, in addition to the foregoing provisions, be in accordance with all applicable provisions of this Lease (including, without limitation, the insurance and indemnity provisions) and subject to such reasonable rules and regulations as Landlord may promulgate with respect thereto from time to time and notify Tenant thereof. Subject to the foregoing provisions in this Section, Landlord shall have the right at any time to: (1) limit or modify the hours of operation of any of the foregoing amenities; (2) modify the size, type, capacity or configuration of the foregoing amenities; (3) relocate any of the foregoing amenities; or (4) perform any other reasonable act with respect to the foregoing amenities. In the event that Landlord makes any modification with respect to the foregoing amenities pursuant to the immediately preceding sentence, then costs of such modification shall be included within Operating Charges if and to the extent permitted by Article V.

14.5 In the event Tenant desires to install supplementary air conditioning to serve the Premises or any portion thereof (the "Supplementary System"), Landlord shall permit Tenant to connect the Supplementary System to the condenser water system for the Building. The Supplementary System shall include meters or other measuring devices specified by Landlord, installed by Tenant at its expense, which meters or other measuring devices will be connected to the base Building monitoring system and record the hours of operation of each unit installed as part of the Supplementary System. Prior to the installation of the Supplementary System, Tenant shall pay to Landlord an amount equal to Five Hundred Dollars (\$500) for each supplemental air conditioning unit as a "tie-in" charge for the connection of the Supplementary System to the condenser water system for the Building unless such Supplementary System is installed as part of Tenant's Work performed in accordance with Exhibit B. During the Lease Term, Landlord shall furnish condenser water on a twenty-four (24) hour per diem basis (if requested) to the Supplementary System at Building design criteria sufficient for operation of the Supplementary System, up to a maximum of five (5) tons of air conditioning based on the rate of capacity of the unit or units collectively constituting the Supplementary System. Tenant shall pay to Landlord, as additional rent with respect to each air conditioning unit that is part of the Supplementary System, an amount equal to the product of (i) the then-applicable Condenser Water Charge (as defined below), multiplied by (ii) the number of tons for each such unit, multiplied by (iii) the number of hours of operation of each unit of the Supplementary System since the prior reading of such meters or other measuring devices. Landlord shall bill Tenant for such additional rent from time to time and each such billing shall be paid by Tenant within thirty (30) days after Tenant's receipt of a reasonably detailed invoice from Landlord. As used herein, the term "Condenser Water Charge" shall mean the per ton hour charge established by Landlord from

time to time for furnishing condenser water to the supplementary air conditioning systems operated by (or for the benefit of) tenants in the Building (which charge shall reflect Landlord's actual cost of providing condenser water (including, without limitation, recovery of overhead and accelerated depreciation of such Building system expected by such use) without a profit increment. It is understood and agreed if more than one supplemental air conditioning unit is included in the Supplementary System, the elapsed time for the same shall be measured and the amount payable by Tenant pursuant to this Section 14.5 shall be computed separately with respect to each such supplemental air conditioning unit. Notwithstanding anything to the contrary contained in this Lease, Tenant shall, at its sole cost and expense, maintain and repair the Supplementary System in good working order and condition at all times during the Lease Term (including the making and maintaining of replacements, if any) and shall, at Tenant's election, either surrender the same to Landlord in good and proper working order and condition or remove the same and restore any damage caused thereby upon the expiration or earlier termination of this Lease.

14.6 Landlord shall not have any liability to Tenant, and Tenant shall not be entitled to terminate this Lease or receive a rent abatement, in the event of Landlord's failure or inability to furnish any of the utilities or services required to be furnished by Landlord hereunder; provided, however, that (a) if all or a material portion of the Premises is rendered unusable by Tenant for a continuous period of five (5) consecutive business days after Tenant gives Landlord written notice thereof, and if Tenant does not in fact use the Premises (or such material portion of the Premises) during such period, then, so long as no Material Event of Default exists under this Lease, Tenant shall be entitled, as its sole and exclusive remedy, to an abatement of the Base Rent payable hereunder for the Premises (or such material portion of the Premises) for the period beginning on the day after such five (5) business day period ends and continuing until the earlier of the date Tenant resumes normal use or occupancy of the Premises or the date use of the Premises is restored to Tenant; (b) Landlord shall use commercially reasonable efforts to restore such failure or inability so long as such failure or inability is within Landlord's reasonable control to correct; and (c) Landlord shall, upon Tenant's request, provide Tenant with all available information regarding estimates or projections of when such utilities or services may be restored.

ARTICLE XV LIABILITY OF LANDLORD AND TENANT

15.1 Landlord and Landlord's Representatives shall not be liable to Tenant, any Agent or any other person or entity for any damage, injury, loss or claim based on or arising out of any cause whatsoever (except as otherwise provided in this Section), including without limitation the following: repair to any portion of the Premises or the Building; interruption in the use of the Premises or the Building or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises or the Building; any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Building, or from drains, pipes or plumbing fixtures in the Premises or the Building. If any condition exists which may be the basis of a claim of constructive eviction, then Tenant shall give Landlord written notice thereof and a reasonable opportunity to correct such condition, and in the interim Tenant shall not claim that it has been constructively evicted or is entitled to a rent abatement other than as set forth in Section 14.6. Any property placed by Tenant or any Agent in or about the Premises or the Building shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefor. Any person receiving an article delivered for Tenant shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability to Tenant for any physical injury to any natural person or damage to Tenant's personal property caused by the negligence or willful misconduct of Landlord or Landlord's Representatives to the extent such injury is not covered by insurance either carried by Tenant (or such person) or required by this Lease to be carried by Tenant; provided, however, that neither Landlord nor any of Landlord's Representatives (nor any past,

present or future board member, partner, trustee, director, member, officer, employee, agent, representative or advisor of any of them) shall under any circumstances be liable for any exemplary, punitive, consequential or indirect damages (or for any interruption of or loss to business) in connection with or relating to this Lease. Notwithstanding anything contained in this Lease to the contrary, except for consequential damages resulting from Tenant's failure to vacate and surrender the Premises or any portion thereof at the expiration or earlier termination of the Lease Term or an Environmental Default, Tenant shall not be liable for any exemplary, punitive, consequential or indirect damages in connection with or relating to this Lease.

15.2 (a) Except to the extent caused by the negligence or willful misconduct of Landlord or its Agents, Tenant shall reimburse Landlord, its employees and agents for (as additional rent), and shall indemnify, defend upon request and hold them harmless from and against all reasonable costs, damages, claims, liabilities, expenses (including reasonable attorneys' fees), losses, penalties and court costs (collectively, "Costs") suffered by or claimed against them, directly or indirectly, based on or arising out of, in whole or in part, from: (a) use and occupancy of the Premises or the business conducted therein, (b) any negligent or willful act or omission of Tenant or any Agent, (c) any breach of Tenant's obligations under this Lease, including failure to comply with Laws or surrender the Premises upon the expiration or earlier termination of the Lease Term, or (d) any entry by Tenant or any Agent upon the Land prior to the Lease Commencement Date.

(b) Except to the extent caused by the negligence or willful misconduct of Tenant or an Agent of Tenant, Landlord shall reimburse Tenant and shall indemnify and hold Tenant harmless from and against all Costs suffered or claimed against Tenant as a result of Landlord's use or control of the common areas of the Building and the Building Structure and Systems. In no event, however, shall Landlord have any liability to Tenant for interruption or loss to Tenant's business or any indirect or consequential damages or for any liability covered by any insurance policy carried (or required by this Lease to be carried) by Tenant or such person.

15.3 No landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring during the period that such landlord was not the owner of the Building or the owner of a landlord's interest therein. Within five (5) days after request, Tenant shall attorn to any transferee landlord and execute, acknowledge and deliver any document submitted to Tenant confirming such attornment provided such transferee assumes the obligations of Landlord hereunder which accrue from and after the date of the transfer.

15.4 Tenant shall not have the right to set off or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord, which action shall not be consolidated with any action of Landlord; provided, however, that the foregoing shall not prohibit Tenant from asserting a compulsory counterclaim in any proceeding instituted by Landlord against the Tenant that is required to be brought by applicable statute and will be deemed forever waived if not then asserted by Tenant.

15.5 If Tenant or any Agent is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Building which shall be deemed to include proceeds actually received by Landlord from any sale of the Building (net of all expenses of sale), insurance or condemnation proceeds (subject to the rights of any Mortgagees), and rental income from the Building (net of all expenses) to the extent all of the foregoing are held in an account for Landlord and have not been applied or distributed by Landlord in the ordinary course of business (i.e., not as a fraud against creditors). No other asset of Landlord, and no asset of any of Landlord's Representatives (or any past, present or future board member, partner, director, member, officer, trustee, employee, agent, representative or advisor of any of them (each, an "officer")) or any other person or entity, shall be available to satisfy or be subject to any such judgment. No such Landlord's Representative, officer or other person or entity shall be held to have personal liability for satisfaction of any claim or judgment whatsoever under this Lease.

ARTICLE XVI
RULES

16.1 Tenant and Agents shall at all times abide by and observe the rules and regulations specified in Exhibit C. Tenant and Agents shall also abide by and observe any other rule that Landlord may reasonably promulgate from time to time for the operation and maintenance of the Building, provided that written notice thereof is given and such rule is not inconsistent with prudent management practices of first-class office buildings in the District of Columbia; provided, however, that in the event of any conflict between any provision of this Lease and any rule or regulation promulgated by Landlord, the provisions of this Lease shall control and shall supersede any conflicting rule or regulation. All rules shall be binding upon Tenant and enforceable by Landlord as if they were contained herein. Nothing contained in this Lease shall be construed as imposing upon Landlord any duty or obligation to enforce such rules, or the terms, conditions or covenants contained in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for the violation of such rules by any other tenant or its employees, agents, assignees, subtenants, invitees or licensees. Landlord shall use reasonable efforts not to enforce any rule or regulation in a manner which unreasonably discriminates among similarly situated tenants.

ARTICLE XVII
DAMAGE OR DESTRUCTION

17.1 If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Building to substantially the same condition they were in prior to such damage or destruction; provided, however, that if in Landlord's reasonable judgment such repair and restoration cannot be completed within one hundred eighty (180) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), then Landlord shall have the right to terminate this Lease by giving written notice of termination within forty-five (45) days after the occurrence of such damage or destruction. If this Lease is terminated pursuant to this Article, then rent shall be apportioned (based on the portion of the Premises which is usable or used after such damage or destruction) and paid to the earlier of the date of termination or the date Tenant completely vacates and abandons the Premises on account of such damage and Landlord shall be entitled to any insurance proceeds received by Tenant that are attributable to improvements insured or required to be insured by Tenant that would remain in the Premises at the end of the Lease Term. If this Lease is not terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay rent only for the portion of the Premises that is usable for the uses permitted by this Lease (taking into account the area within the Premises affected) while such repair and restoration are being made; provided, however, that (x) if such damage or destruction was caused by the gross negligence or willful misconduct of Tenant or any Agent, then Tenant shall not be entitled to any such rent reduction and (y) if Tenant fails to immediately pay over to Landlord insurance proceeds when received from Tenant's insurance any such rent abatement shall end on the date when Landlord would have been able to substantially complete repair and restoration of the Premises had Tenant timely paid Landlord such insurance proceeds. After receipt of all insurance proceeds (including proceeds of insurance maintained by Tenant), Landlord shall proceed with and bear the expenses of such repair and restoration of the Premises and the Building; provided, however, that (a) if such damage or destruction was caused by the gross negligence or willful misconduct of Tenant or any Agent, then Tenant shall pay Landlord's deductible and the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction (or, if Landlord fails to maintain the insurance required by Section 13.3, that Landlord would have received to the extent Landlord maintained such insurance required by Section 13.3), (b) Tenant shall pay the amount by which the cost of restoring any item which Landlord is required to restore and Tenant is required to insure exceeds the insurance proceeds received with respect thereto, and (c) Landlord shall not be required to repair or restore any tenant improvements installed in the Premises, any Alterations or any other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, equipment or personal property) (except to the extent Landlord receives proceeds therefor from Tenant's insurance); provided, however, if such damage or

destruction was caused by the gross negligence or willful misconduct of Landlord, then Landlord shall pay Tenant's deductible. Notwithstanding anything herein to the contrary, Landlord shall have the right to terminate this Lease if (1) insurance proceeds plus deductibles are insufficient to pay the full cost of such repair and restoration (so long as Landlord maintains the insurance required by Section 13.3), (2) the holder of any Mortgage fails or refuses to make such insurance proceeds available for such repair and restoration, (3) zoning or other applicable Laws or regulations do not permit such repair and restoration, or (4) the damage to the Building exceeds thirty-five percent (35%) of the replacement value of the Building.

17.2 If, within forty-five (45) days after the occurrence of the damage or destruction described in Section 17.1, Landlord determines in its sole but reasonable judgment that the repairs and restoration cannot be substantially completed within one hundred eighty (180) days after the date of such damage or destruction, and provided Landlord does not elect to terminate this Lease pursuant to this Article, then Landlord shall promptly notify Tenant of such determination. For a period continuing through the later of the thirtieth (30th) day after the occurrence of the damage or destruction or the tenth (10th) day after receipt of such notice, Tenant shall have the right to terminate this Lease by providing written notice to Landlord (which date of such termination shall be not more than thirty (30) days after the date of Tenant's notice to Landlord). Notwithstanding any of the foregoing to the contrary, Tenant shall not have the right to terminate this Lease if the willful misconduct of Tenant or any Agent shall have caused the damage or destruction.

ARTICLE XVIII CONDEMNATION

18.1 If one-third or more of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the day prior to the date title thereto vests in such authority and rent shall be apportioned as of such date. If less than one-third of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned, except that as of the date title vests in such authority Tenant shall not be required to pay rent with respect to the part of the Premises so condemned. Landlord shall notify Tenant of any condemnation contemplated by this Section promptly after Landlord receives notice thereof. Within ten (10) days after receipt of such notice, Tenant shall have the right to terminate this Lease with respect to the remainder of the Premises not so condemned as of the date title vests in such authority if such condemnation renders said remainder of the Premises totally unusable for their intended purpose. Notwithstanding anything herein to the contrary, if twenty-five percent (25%) or more of the Land or the Building is condemned, then whether or not any portion of the Premises is condemned, Landlord shall have the right to terminate this Lease as of the date title vests in such authority. In addition, if twenty-five percent (25%) or more of the Land or the Building is condemned such that Tenant's access to or use of the Premises is permanently, materially and adversely affected, then whether or not any portion of the Premises is condemned, Tenant shall have the right to terminate this Lease as of the date title vests in such authority, unless, within Two Hundred Seventy (270) days after such condemnation, Landlord shall provide alternative access to or use of the Premises.

18.2 All awards, damages and other compensation paid on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages and compensation. Tenant shall not make any claim against Landlord or such authority for any portion of such award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for relocation expenses and for the value of furnishings, equipment and trade fixtures installed in the Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Lease Term, provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation.

ARTICLE XIX
DEFAULT

19.1 Each of the following shall constitute an "Event of Default": (a) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum, which failure shall continue for a period of five (5) days after receipt by Tenant of written notice thereof; (b) Tenant's failure to perform or observe any covenant or condition of this Lease not otherwise specifically described in this Section 19.1, which failure shall continue for a period of ten (10) business days after Landlord sends Tenant written notice thereof (or such shorter period as is appropriate if such failure is reasonably capable of being cured sooner); provided, however, that if such cure cannot reasonably be effected within such ten (10) business day period and Tenant begins such cure promptly within such ten (10) business day period and is pursuing such cure in good faith and with diligence and continuity during such ten (10) business day period, then, except in the event of an emergency, Tenant shall have such additional time (not to exceed ninety (90) days) as is reasonably necessary to effect such cure; (c) Tenant's abandonment of the Premises (i.e., vacancy with no intent to return); (d) an Event of Bankruptcy as specified in Article XX; (e) Tenant's dissolution or liquidation; (f) any Environmental Default as specified in Section 6.3; (g) any sublease, assignment or mortgage not permitted by Article VII; or (h) Tenant's failure to pay any sum or perform or observe any monetary or material non-monetary covenant or condition of this Lease when required under this Lease (without regard to any grace period otherwise allowed by this Section 19.1) more than twice during any twelve month period during the Lease Term.

19.2 If there shall be an Event of Default (even if prior to the Lease Commencement Date), then the provisions of this Section shall apply. Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, and Tenant hereby waives any other notice to quit or notice of Landlord's intention to re-enter the Premises or terminate this Lease. If necessary, Landlord may proceed to recover possession of the Premises under applicable Laws, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice, however, to Tenant's liability for all Base Rent, additional rent and other sums specified herein. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord shall have the right, at its sole option, to terminate any renewal or expansion right contained in this Lease and, if a Material Event of Default by Tenant has occurred and Landlord is pursuing its rights to regain possession of the Premises, to grant or withhold any consent or approval pursuant to this Lease in its sole and absolute discretion. If Tenant is in default under this Lease and has vacated the Premises, and if Landlord has terminated this Lease as a result of such default, then Landlord shall thereafter use reasonable efforts to relet the Premises; provided, however, that Tenant understands and agrees that Landlord's main priority will be the leasing of other space in the Building (not then leased by Landlord), and the reletting of the Premises will be of lower priority. Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, re-entry or restoration of the operation of this Lease under any present or future Law, including without limitation any such right which Tenant would otherwise have in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided. Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include any concessions or allowances granted by Landlord) as Landlord, in its sole but reasonable discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Premises or to collect any rent due upon such reletting. Whether or not this Lease is terminated or any suit is instituted, Tenant shall be liable for any Base Rent, additional rent, damages or other sum which may be due or sustained prior to such default, and for all costs, fees and expenses (including, but not limited to, attorneys' fees and costs, brokerage fees, expenses incurred in placing the Premises in first-class rentable condition, advertising expenses, and any concessions or allowances granted by Landlord) incurred by Landlord in pursuit of its remedies hereunder and/or in recovering possession of the Premises and renting the Premises to others from time to time. Tenant also shall be liable for additional damages which at

Landlord's election shall be either: (a) an amount equal to the Base Rent and additional rent due or which would have become due from the date of Tenant's default through the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), which amount shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Lease Term would have expired but for Tenant's default, it being understood that separate suits may be brought from time to time to collect any such damages for any month(s) (and any such separate suit shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month(s)), or Landlord may defer initiating any such suit until after the expiration of the Lease Term (in which event such deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Lease Term); or (b) an amount equal to the difference between (i) all Base Rent, additional rent and other sums due or which would be due and payable under this Lease as of the date of Tenant's default through the end of the scheduled Lease Term, and (ii) the fair market value rental of the Premises over the same period (net of all expenses (including reasonable attorneys' fees) and all vacancy periods reasonably projected by Landlord to be incurred in connection with the reletting of the Premises), as determined by Landlord in its sole and absolute discretion, which difference shall be discounted at a rate equal to one (1) whole percentage point above the discount rate in effect on the date of payment at the Federal Reserve Bank nearest the Building, and which resulting amount shall be payable to Landlord in a lump sum on demand, it being understood that upon payment of such liquidated and agreed final damages, Tenant shall be released from further liability under this Lease with respect to the period after the date of such payment, and that Landlord may bring suit to collect any such damages at any time after an Event of Default shall have occurred. Tenant shall pay all expenses (including reasonable attorneys' fees) incurred by Landlord in connection with or as a result of any Event of Default whether or not a suit is instituted. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease (including, without limitation, the right of injunction and the right to invoke any remedy allowed at law or in equity as if reentry, summary proceedings and other remedies were not provided for herein). Nothing herein shall be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid rent accrued prior to termination of this Lease. If Landlord is entitled, or Tenant is required, pursuant to any provision hereof to take any action upon the termination of the Lease Term, then Landlord shall be entitled, and Tenant shall be required, to take such action also upon the termination of Tenant's right of possession.

19.3 All rights and remedies of Landlord and Tenant set forth in this Lease are cumulative and in addition to all other rights and remedies available to Landlord and Tenant at law or in equity, including those available as a result of any anticipatory breach of this Lease. The exercise by Landlord or Tenant of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay or failure by Landlord or Tenant to exercise or enforce any of its respective rights or remedies or the other party's obligations (except to the extent a time period is specified in this Lease therefor) shall constitute a waiver of any such or subsequent rights, remedies or obligations. Neither party shall be deemed to have waived any default by the other party unless such waiver expressly is set forth in a written instrument signed by the party against whom such waiver is asserted. If Landlord or Tenant waive in writing any default by the other party, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

19.4 If either party shall institute proceedings against the other and a compromise or settlement thereof shall be made, then the same shall not constitute a waiver of the same or of any other covenant, condition or agreement set forth herein, nor of any of the waiving party's rights hereunder. Neither the payment by Tenant of a lesser amount than the monthly installment of Base Rent, additional rent or of any sums due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Tenant, Landlord may apply any payment

received from Tenant to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease.

19.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant and such failure continues beyond the expiration of applicable notice and cure periods, then Landlord may, after written notice to Tenant, but shall not be required to, make such payment or do such act. The taking of such action by Landlord shall not be considered a cure of such default by Tenant or prevent Landlord from pursuing any remedy it is otherwise entitled to in connection with such default. If Landlord elects to make such payment or do such act, then all expenses incurred by Landlord, plus interest thereon at a rate (the "Default Rate") equal to the greater of fifteen percent (15%) per annum or the rate per annum which is five (5) whole percentage points higher than the prime rate published in the Money Rates section of the Wall Street Journal (the "Prime Rate"), from the date incurred by Landlord to the date of payment thereof by Tenant, shall constitute additional rent due hereunder; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law.

19.6 If Tenant fails to make any payment of Base Rent, additional rent or any other sum on or before the date such payment is due and payable (without regard to any grace period that may be specified in Section 19.1), then Landlord shall have the right to impose upon Tenant in writing a late charge of four percent (4%) of the amount of such payment. In addition, such payment and such late fee shall bear interest at the Default Rate from the date such payment or late fee, respectively, became due to the date of payment thereof by Tenant; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law. Such late charge and interest shall constitute additional rent due hereunder without any notice or demand. Notwithstanding any of the foregoing to the contrary, Landlord shall waive such late fee (but not the interest payable pursuant to the preceding sentence) the first four (4) times during the Lease Term that Tenant fails to make a payment when due, provided such payment is made before the expiration of the grace period specified in Section 19.1(a).

19.7 Landlord agrees to subordinate any statutory lien to which Landlord may otherwise be entitled in any of Tenant's inventory, personal property or equipment to any lien or security interest granted by Tenant in or to any of its inventory, personal property or equipment as security for indebtedness incurred for the purpose of financing the purchase or leasing of any such inventory, personal property or equipment, and Landlord shall not have any lien or security interest in any personal property belonging to Tenant's employees or any owners of a beneficial interest in Tenant, or in the work product, documents, plans, records, or other printed materials belonging to Tenant or in Tenant's possession.

19.8 If more than one natural person or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. If Tenant is a general partnership or other entity the partners or members of which are subject to personal liability, then the liability of each such partner or member shall be joint and several. No waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

ARTICLE XX BANKRUPTCY

20.1 An "Event of Bankruptcy" is the occurrence with respect to any of Tenant, a Guarantor or any other person liable for Tenant's obligations hereunder (including, without limitation, any general partner of Tenant (a "General Partner")) of any of the following: (a) such person becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code") or under the insolvency laws of any state (the "Insolvency Laws"); (b) appointment of a receiver or custodian for any property of such person, or the institution of a foreclosure or attachment action upon any property of such person; (c) filing by such person of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; (d) filing of an involuntary petition against such person as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (1) is not dismissed within sixty (60) days after filing, or (2) results in the issuance of an order for relief against the debtor; (e) such person making or consenting to an assignment for the benefit of creditors or a composition of creditors; (f) such

person knowingly submitting (either before or after execution hereof) to Landlord any financial statement containing any material inaccuracy or omission; or (g) an admission by Tenant or Guarantor of its inability to pay debts as they become due. At any time (but in no event more than two (2) times during any calendar year unless Landlord reasonably and in good faith believes that a substantial change in Tenant's financial condition shall have occurred) upon not less than ten (10) days' prior written notice, Tenant shall submit such information concerning the financial condition of any such person as Landlord may request. Tenant warrants that all such information heretofore and hereafter submitted is and shall be correct and complete.

20.2 Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article XIX; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assume and assign this Lease pursuant to the Bankruptcy Code. After the commencement of a Case: (i) Trustee shall perform all post-petition obligations of Tenant under this Lease; and (ii) if Landlord is entitled to damages (including, without limitation, unpaid rent) pursuant to the terms of this Lease, then all such damages shall be entitled to administrative expense priority pursuant to the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of assignment, and any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assumption. Trustee shall not have the right to assume or assume and assign this Lease unless Trustee promptly (a) cures all defaults under this Lease, (b) compensates Landlord for damages incurred as a result of such defaults, (c) provides adequate assurance of future performance on the part of Trustee as debtor in possession or Trustee's assignee, and (d) complies with all other requirements of the Bankruptcy Code. If Trustee desires to assume and assign this Lease to any person who shall have made a bona fide offer, then Trustee shall give Landlord written notice of such proposed assignment (which notice shall set forth the name and address of such person, all of the terms and conditions of such offer, and the adequate assurance to be provided Landlord to assure such person's future performance under this Lease) no later than fifteen (15) days after receipt by Trustee of such offer, but in no event later than thirty (30) days prior to the date Trustee shall make application to the appropriate court for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to Trustee given at any time prior to the effective date of such proposed assignment, to accept (or to cause Landlord's designee to accept) an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease. If Trustee fails to assume or assume and assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after the initiation of the Case (or such other period as may be provided by the Bankruptcy Code or allowed by the United States Bankruptcy Court for same), then Trustee shall be deemed to have rejected this Lease. If this Lease is rejected or deemed rejected, then Landlord shall have all rights and remedies available to it pursuant to Article XIX.

ARTICLE XXI SUBORDINATION

21.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber any portion of the Building or the Land (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof. Said subordination and the provisions of this Section shall be self-operative and no further instrument of subordination shall be required to effect such subordination. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage.

21.2 Tenant shall at Landlord's request promptly execute any reasonably requisite document confirming such subordination (including, without limitation, the agreement attached hereto as Exhibit F). Tenant waives the provisions of any statute or rule of law now or hereafter

in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Building, the Land or Landlord's interest therein is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then, at the request of such transferee and assumption of Landlord's obligations as required hereby, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Except as otherwise may be provided in any agreement executed by Tenant and the holder of any Mortgage pursuant to Section 21.3 below, Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by or required to credit Tenant with any prepayment of the Base Rent or additional rent more than thirty (30) days in advance or any deposit, rental security or any other sums deposited with any prior landlord under the Lease (including Landlord) unless said sum is actually received by such transferee, (b) bound by any amendment, modification or termination of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for any breach, act or omission of any prior landlord under the Lease (including Landlord) or any damages arising therefrom except that to the extent that such act or omission of which Tenant has notified the Transferee constitutes a continuing default under this Lease after such Transferee purchases the Building or forecloses on or accepts a deed in lieu thereof for the Building, (d) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), (e) bound by any obligation which may appear in this Lease to maintain the Fitness Facility, (f) liable for any late completion of any construction of the Premises or tenant improvement work to the Premises commenced or agreed to by any prior landlord under the Lease (including Landlord), (g) liable for payment of any damages, fees or penalties payable by any landlord under the Lease (including Landlord) to Tenant including but not limited to fees or penalties for failure to deliver the Premises in a timely fashion, or (h) bound by any obligation which may appear in this Lease to pay any sum of money to Tenant; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising after the date of transfer. Within ten (10) days after the request of such transferee, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

21.3 Landlord shall: (a) secure for Tenant, within thirty (30) days after full execution and delivery of this Lease, a non-disturbance agreement in the form of Exhibit F (the "Current SNDA") from the holder of the Mortgage now encumbering the Building and/or the Land, provided Tenant first signs and delivers to Landlord the Current SNDA; and (b) use commercially reasonable efforts to obtain for Tenant a non-disturbance agreement from the holder of any Mortgage hereafter encumbering the Building and/or the Land on such holder's standard form nondisturbance agreement (Landlord hereby agreeing to use commercially reasonable efforts to incorporate any material comments of Tenant which are reasonable and customary, but Landlord shall not be obligated to incur any expense or make other economic concessions in exchange for the same).

ARTICLE XXII

HOLDING OVER

22.1 Tenant acknowledges that it is extremely important that Landlord have substantial advance notice of the date on which Tenant will vacate the Premises, and acknowledges that if Tenant fails to surrender the Premises or any portion thereof at the expiration or earlier termination of the Lease Term, then it will be conclusively presumed that the value to Tenant of remaining in possession, and the loss that will be suffered by Landlord as a result thereof, far exceed the Base Rent and additional rent that would have been payable had the Lease Term continued during such holdover period. Therefore, if Tenant (or anyone claiming through Tenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, then the rent payable by Tenant hereunder shall be increased to equal the sum of (a) the greater of fair market rent for the entire Premises, or the following percentages of the Base Rent that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period: one hundred fifty percent (150%) for the first two (2) months of such holdover; and two hundred percent (200%) for each month thereafter, plus (b) one hundred percent (100%) of the additional rent and other

sums that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period. Such rent shall be computed by Landlord and paid by Tenant on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated. Notwithstanding any other provision of this Lease, Landlord's acceptance of such rent shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover all damages. Any such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give Tenant any right with respect thereto.

ARTICLE XXIII COVENANTS OF LANDLORD

23.1 Landlord covenants that it has the right to enter into this Lease, and that if Tenant shall perform timely all of its obligations hereunder, then, subject to the provisions of this Lease, Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises (i.e., quiet enjoyment) without hindrance by Landlord, its employees or agents.

23.2 Subject to other applicable terms and provisions expressly provided in this Lease, Landlord reserves the following rights: (a) to change the street address and name of the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected; (b) to change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of, and make additions to, the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected; (c) to erect, use and maintain pipes, wires, structural supports, ducts and conduits in and through the plenum areas of the Premises; (d) to grant to anyone the exclusive right to conduct any particular business in the Building not inconsistent with Tenant's permitted use of the Premises; (e) to exclusively use and/or lease the roof areas, the sidewalks and other exterior areas except as otherwise expressly provided in this Lease; (f) to resubdivide the Land or to combine the Land with other lands; (g) to relocate any parking areas designated for Tenant's use, provided the same are on the Land; (h) if Tenant abandons the Premises prior to the expiration of the Lease Term, to make Alterations to or otherwise prepare the Premises for reoccupancy without relieving Tenant of its obligation to pay all Base Rent, additional rent and other sums due under this Lease through such expiration; (i) to construct improvements (including kiosks) on the Land and in the public and common areas of the Building; (j) to prohibit smoking in the entire Building or portions thereof (including the Premises); and (k) if any excavation or other substructure work shall be made or authorized to be made upon land adjacent to the Building or the Land, to enter the Premises for the purpose of doing such work as is required to preserve the walls of the Building and to preserve the land from injury or damage and to support such walls and land by proper foundations. Subject to the other applicable terms and provisions expressly provided in this Lease, Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance of Tenant's business or use or occupancy of the Premises and Tenant shall have no claim against Landlord in connection therewith. With respect to (b), (c), (e), (g), (i) and (k) above, Landlord shall use reasonable efforts to minimize interference with Tenant's normal business operations in the Premises (subject, however, in all cases to governmental requirements, emergencies and/or temporary maintenance and repair activities, and in no event shall Landlord have any obligation to employ contractors or labor at overtime or other premium pay rates or incur any other overtime costs).

ARTICLE XXIV PARKING

24.1 During the Lease Term, Landlord agrees to make available (or cause the Parking Facility operator to make available) to Tenant and its employees monthly parking permits for the unreserved parking of standard-sized passenger automobiles in the garage on the lower levels of the Building (the "Parking Facility") in an amount equal to the Parking Allotment. The locations of the parking spaces in Tenant's Parking Allotment shall be subject to mutual agreement of Landlord and Tenant, each acting reasonably. Subject to Section 1.18, at Tenant's request, up to three(3) of the permits may be reserved parking spaces for Tenant's exclusive use in the Parking

Facility in a location mutually agreed to by Tenant and Landlord, and the remaining permits (based upon the Parking Allotment) shall be for non-exclusive, unassigned, unreserved parking spaces on a self-park basis (it being understood that ten percent (10%) of Tenant's then Parking Allotment may require stacking (i.e., parking in a parking space where access to the inside space requires moving of the other automobile and the leaving of keys), and the charge for such permits shall be the prevailing rate charged from time to time by Landlord or the operator of the Parking Facility for reserved and unreserved parking, as applicable. Such charges shall be paid monthly in advance to the Parking Facility operator. Except as otherwise provided herein, contracts for parking permits shall be with the Parking Facility operator and shall contain the same terms as are usually contained in contracts with other customers of the Parking Facility operator, but in all events consistent with this Lease. Notwithstanding the foregoing, Landlord does not guarantee the availability of any such monthly parking permits to Tenant during the fourth (4th) or any subsequent month of the Lease Term if and to the extent that Tenant does not purchase any such monthly parking permits during the first three (3) months and each subsequent month of the Lease Term (it being understood that if Tenant does not timely purchase any such monthly parking permits as provided herein but later notifies Landlord in writing of its desire to purchase same, and such parking contracts were let to users who do not work or conduct business with the Building ("Outsiders"), and therefore there are no available parking spaces in the Parking Facility to accommodate Tenant's desires, then Landlord shall, upon not less than ninety (90) days' prior written notice from Tenant, use reasonable efforts to cause such Outsiders' parking contracts to be terminated so that Tenant may purchase its desired number of monthly parking permits (up to the Tenant's Parking Allotment in the aggregate)). Tenant shall not use the Parking Facility for the servicing or extended storage of vehicles. Tenant shall not assign, sublet or transfer any of its rights hereunder, except in connection with any assignment or sublease permitted pursuant to Article VII hereof where parking is provided for in the sublease or assignment. Landlord reserves the right to institute a valet parking system or to otherwise change the parking system. Tenant and its employees shall observe reasonable safety precautions in the use of the Parking Facility and shall at all times abide by all rules and regulations governing the use of the Parking Facility. If Landlord, in its sole and absolute discretion, grants to any other tenant of the Building the exclusive right to use any particular parking spaces, then neither Tenant nor its employees or visitors shall use such spaces. The Parking Facility will remain open on Monday through Friday (excluding legal holidays) during the hours of 6 a.m. to 7 p.m.; however, automobiles may enter and exit the Parking Facility at any time subject to certain access requirements. Landlord reserves the right to close the Parking Facility during periods of unusually inclement weather or for alterations, improvements or repairs. At all times when the Parking Facility is closed, monthly permit holders shall be afforded access by means of a magnetic card or other procedure provided by Landlord or the Parking Facility operator. If all or any portion of the Parking Facility shall be damaged or rendered unusable by fire or other casualty or any taking pursuant to eminent domain proceeding (or deed in lieu thereof), and as a result thereof Landlord or the Parking Facility operator is unable to make available to Tenant the parking provided for herein, then the number of cars which Tenant shall be entitled to park hereunder (i.e., the Parking Allotment) shall be proportionately reduced so that the number of cars which Tenant may park in the Parking Facility after the casualty or condemnation in question shall bear the same ratio to the total number of cars which can be parked in the Parking Facility at such time as the number of cars Tenant had the right to park in the Parking Facility prior to such casualty or condemnation bore to the aggregate number of cars which could be parked therein at that time. Landlord does not assume any responsibility, and shall not be held liable, for any damage or loss to any automobile or personal property in or about the Parking Facility, or for any injury sustained by any person in or about the Parking Facility. Landlord shall not be liable to Tenant and this Lease shall not be affected if any parking rights hereunder are impaired by any Law imposed after the Lease Commencement Date. Landlord reserves the right to determine whether the parking facilities are becoming crowded and to allocate and assign parking spaces among Tenant and the other tenants provided that the Parking Allotment will not be reduced thereby.

ARTICLE XXV GENERAL PROVISIONS

25.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises or any portion of

the Building except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth.

25.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, use the name of the Building as Tenant's business address after Tenant vacates the Premises, or do or permit to be done anything in connection with Tenant's business or advertising which in the reasonable judgment of Landlord may reflect unfavorably on Landlord or the Building or confuse or mislead the public as to any apparent connection or relationship between Landlord, the Building and Tenant.

25.3 Landlord and Tenant each warrants to the other that in connection with this Lease it has not employed or dealt with any broker, agent or finder, other than the Brokers. Landlord acknowledges that, provided the Brokers are each licensed in the jurisdiction in which the Building is to be located, Landlord shall pay the Brokers pursuant to separate agreements between Landlord and such Brokers. Tenant shall indemnify and hold Landlord harmless from and against any claim for brokerage or other commissions, or for a lien under any applicable broker's lien law, asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt, other than the Brokers. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by the Brokers and any other broker, agent or finder employed by Landlord or with whom Landlord has dealt. Tenant's and Landlord's indemnities set forth in this Section shall survive the expiration or earlier termination of the Lease Term.

25.4 At any time and from time to time, upon not less than ten (10) business days' prior written notice, Tenant and each subtenant, assignee, licensee or concessionaire or occupant of Tenant shall execute, acknowledge and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement in the form of Exhibit H or any other form certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) to Tenant's knowledge, whether or not Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to Tenant are to be sent; (e) that this Lease is subject and subordinate to all Mortgages encumbering the Building or the Land; (f) that Tenant has accepted the Premises and that all work thereto has been completed (or if such work has not been completed, specifying the incomplete work); and (g) such other matters as Landlord may reasonably request. Any such statement may be relied upon by any owner of the Building or the Land, any prospective purchaser of the Building or the Land, any holder or prospective holder of a Mortgage or any other person or entity. Tenant acknowledges that time is of the essence to the delivery of such statements and that Tenant's failure to deliver timely such statements may cause substantial damages resulting from, for example, delays in obtaining financing.

25.5 LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES. TENANT WAIVES ANY RIGHT TO RAISE ANY NON-COMPULSORY COUNTERCLAIM IN ANY SUMMARY OR EXPEDITED ACTION OR PROCEEDING INSTITUTED BY LANDLORD. LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

25.6 All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when delivered in person (with receipt therefor), on the next business day after deposit with a recognized overnight delivery service, or upon the day of receipt when sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at the Landlord Notice Address specified in Article I, with a copy to DLA Piper, 1200 19th Street, N.W., Washington, D.C. 20036, Attention: Jeffrey R. Keitelman, Esq.; (b) if to Tenant, at the Tenant Notice Address specified in Article I. Either party may change its address for the giving of notices by written notice given in accordance with this Section. If Landlord or the holder of any Mortgage notifies Tenant in writing that a copy of any notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder. Subject to the potential rent abatement set forth in Section 14.6 of this Lease, any such holder shall have thirty (30) days after receipt of such notice to cure any Landlord default before Tenant may exercise any remedy (provided that in the case of a Landlord default arising from an act or omission which cannot be reasonably remedied within said thirty (30) day period, then the holder of any Mortgage shall have as long as reasonably necessary to remedy such act or omission provided that (i) such holder commences such remedy and notifies Tenant within said thirty (30) day period of holder's desire to remedy, and (ii) holder pursues completion of such remedy with due diligence following such giving of notice and following the time when holder should have become entitled under the Mortgage to remedy the same). Any cure of Landlord's default by such holder shall be treated as performance by Landlord.

25.7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by law.

25.8 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

25.9 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting by Tenant.

25.10 This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease may be modified or changed in any manner only by an instrument signed by both parties. This Lease includes and incorporates all Exhibits attached hereto. Tenant shall, at Landlord's request, promptly execute any requisite document, certificate or instrument that is reasonably necessary or desirable to clarify or carry out the force and effect of any terms or conditions of, or obligation of Tenant under, this Lease.

25.11 This Lease shall be governed by the Laws of the jurisdiction in which the Building is located, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the party who itself or through its agent prepared it (it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall be construed to waive either party's right to insist on the strict performance of the terms of this Lease by the other party..

25.12 Headings are used for convenience and shall not be considered when construing this Lease.

25.13 The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease the Premises. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

25.14 Time is of the essence with respect to each of Tenant's and Landlord's obligations hereunder.

25.15 This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document. Faxed signatures shall have the same binding effect as original signatures.

25.16 Neither this Lease nor a memorandum thereof shall be recorded.

25.17 Landlord reserves the right to make reasonable changes and modifications to the plans and specifications for Building without Tenant's consent, provided such changes or modifications do not materially and adversely change the character of same.

25.18 The rentable area in the Building (including the Office Area) and in the Premises has been determined by the Building's architect and as of the date hereof is in accordance with Building Owners and Managers Association International (BOMA) (ANSI/BOMA Z65.1-1996) calculation methodology (the "BOMA Standards").

25.19 Except as otherwise provided in this Lease, any additional rent or other sum owed by Tenant to Landlord, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered additional rent payable pursuant to this Lease to be paid by Tenant no later than thirty (30) days after the date Landlord notifies Tenant of the amount thereof.

25.20 Each party's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

25.21 If Landlord or Tenant is in any way delayed or prevented from performing any obligation (except, with respect to Tenant, its obligations to pay rent and other sums due under this Lease, any obligation set forth in Exhibit B, any obligation with respect to insurance pursuant to Article XIII, any obligation to give notice with respect to extensions, expansions or otherwise, and any holdover) due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any cause beyond Landlord's or Tenant's (as applicable) reasonable control (whether similar or dissimilar to the foregoing events)(each, a "Force Majeure Delay"), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention. For purposes hereof, a "Special Force Majeure Delay" shall mean a delay due to fire, act of God, riot, hurricane or other natural disaster beyond Landlord's reasonable control (excluding specifically, however, any governmental act or failure to act, such as the failure to timely issue any permit), any governmental security action in connection with a national or other public emergency which specifically prohibits access to the Building, strike, labor dispute or inability to procure materials. Except as otherwise provided in Section 3.2 of this Lease, no force majeure event shall delay or excuse the timely payment of all items of rent by Tenant. Financial disability or hardship shall never constitute a force majeure event.

25.22 Landlord's review, approval and consent powers (including the right to review plans and specifications) are for its benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety or any other matter and in no way confers adequacy of design to satisfy Tenant's performance, technical or legal objectives as stipulated by code or other regulatory obligation.

25.23 The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

25.24 At the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys and security cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

25.25 Tenant and the person executing and delivering this Lease on Tenant's behalf each represents and warrants that such person is duly authorized to so act; that Tenant is duly organized, is qualified to do business in the jurisdiction in which the Building is located, is in good standing under the Laws of the state of its organization and the Laws of the jurisdiction in which the Building is located, and has the power and authority to enter into this Lease; that is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, among the individuals or entities identified on any list compiled by the U.S. Government for the purpose of identifying suspected terrorists, and Tenant is not engaging in the transaction on behalf of any such individual or entity; that Tenant is not in violation of any anti-money laundering Law; and that all action required to authorize Tenant and such person to enter into this Lease has been duly taken.

25.26 Any elimination or shutting off of light, air, or view by any structure which may be erected adjacent to the Building, or any noise in connection with the activities permitted by this Lease, shall in no way effect this Lease or impose any liability on Landlord.

25.27 In the event Landlord or Tenant is required or elects to take legal action against the other party to enforce the provisions of this Lease, then the prevailing party in such action shall be entitled to collect from the other party its costs and expenses incurred in connection with the legal action (including, without limitation, reasonable attorneys' fees and court costs). Notwithstanding the foregoing, if Landlord shall take any legal action for collection of rent (other than sending a notice of non-payment) or file any eviction proceedings (whether summary or otherwise) for the non-payment of rent, and Tenant shall make payment of such rent prior to the rendering of any judgment, the Landlord shall be entitled to collect and Tenant shall pay as additional rent all filing fees and other costs in connection therewith (including reasonable attorneys' fees).

ARTICLE XXVI RIGHT OF FIRST OFFER

26.1 If any leaseable space (or portion thereof) the same floor of the Building on which the Premises are located ("Expansion Space") becomes available from time to time during the period commencing on the date the Expansion Space has been leased to a third party pursuant to a fully executed lease not in default (the "Initial Lease-Up Date") and continuing through that date which is one (1) year before the then current scheduled expiration of the Lease Term, then Tenant shall have a continuing first right to lease such space on the following terms and conditions:

(a) Promptly after Landlord becomes aware that any particular block of Expansion Space is coming available, Landlord shall notify Tenant in writing (the "Landlord Availability Notice") of the availability of any Expansion Space and the base rent and other terms and conditions upon which such space is to be offered to the general public. Tenant shall have five (5) business days after receiving the Landlord Availability Notice to notify Landlord in writing that Tenant desires to negotiate with Landlord for a lease of such Expansion Space. If Tenant fails to timely notify Landlord in writing ("Tenant's Election Notice") that Tenant desires to negotiate with Landlord for a lease of such Expansion Space, then Tenant's rights pursuant to this Section with respect to such Expansion Space shall lapse and be of no further force or effect unless and until such space shall be leased to a third party and thereafter becomes available. For a period of fifteen (15) days after Landlord's timely receipt of Tenant's Election Notice (the "Negotiation Period"), Tenant shall have the right to negotiate with Landlord regarding the base rent and all other terms and conditions of a lease for such Expansion Space. The parties shall attempt to agree upon an annual base rent during each Lease Year of the Lease Term with respect to such Expansion Space which would be based on one hundred percent (100%) of the applicable market rent. Among the factors to be considered by the parties during such negotiations shall be the general first class office rental market in the Market Area, the rental rates for new leases then being quoted by Landlord to comparable tenants for comparable space in the Building, the rents being charged similar tenants for similar office space in multi tenanted,

multi story, first class office buildings, taking into account any material economic differences between the terms of this Lease and the terms of any comparable lease (including, without limitation, any then applicable market rent concessions, such as rent abatements, improvement allowances, brokerage commissions, lease term, rent escalations, tenant procurement costs, construction costs, the manner in which the comparable lease requires reimbursement for operating expenses and taxes, the manner in which the comparable lease measures space (including any applicable add-on factor), an improvement allowance equal to the product of (x) fifty-seven and 50/100 dollars (\$57.50) multiplied by a fraction, the numerator of which shall be the number of full calendar months, if any, in the period commencing on the Expansion Premises delivery date and continuing through the remainder of the initial Lease Term, and the denominator of which shall be one hundred twenty-one (121), multiplied by (y) the number of square feet of rentable area in the Expansion Space and any other relevant concessions and factors) (it being understood that no consideration shall be given to any other cost, concession or allowance, and no consideration shall be given to (and the applicable market rent so determined will not be reduced on account of) "downtime" that may be associated with this or comparable transactions). In no event, however, shall Landlord be under any obligation to agree to an annual base rent, escalation factor or additional rent for such Expansion Space which is less than the annual base rent, escalation factor or additional rent (on a per square foot of rentable area basis) then in effect under this Lease. If during such ten (10) day period the parties agree on such base rent and all other terms and conditions of a lease for such Expansion Space, then they shall promptly execute an amendment to this Lease stating the base rent and all other terms and conditions of a lease for such Expansion Space agreed upon. If during the Negotiation Period the parties are unable, for any reason whatsoever, to agree on the base rent and all other terms and conditions of a lease for such Expansion Space, then, at any time during the period commencing on the first day after such Negotiation Period and ending on the second (2nd) business day after such Negotiation Period (the "Revocation Period"), Tenant shall have the right to revoke its election to exercise its rights to expand into such Expansion Space by providing Landlord with written notice of such revocation (the "Revocation Letter"). In the event Tenant timely provides the Revocation Letter to Landlord pursuant to the immediately preceding sentence, then Tenant's right to expand into such Expansion Space shall lapse and be of no further force or effect. In the event Tenant does not timely provide the Revocation Letter to Landlord, then Tenant's Election Notice shall continue to be effective and, within five (5) days after the last day of the Revocation Period, Landlord and Tenant shall each prepare and deliver to the other (and to the Arbitrator) its own final written determination of the base rent and all other terms and conditions of a lease for such Expansion Space, and shall together appoint a real estate broker who shall be licensed in the District of Columbia and who specializes in the field of commercial office space leasing in the downtown Washington, D.C. market, has at least twelve (12) years of experience and is recognized within the field as being reputable and ethical (the "Arbitrator"). If Tenant fails to timely deliver its determination to Landlord and the Arbitrator, then Landlord's determination of the base rent and all other terms and conditions of a lease for such Expansion Space, shall be final and conclusive. Within fifteen (15) days after the selection of the Arbitrator, the Arbitrator shall select either Landlord's determination or Tenant's determination (this being the Arbitrator's sole function) as being closest to the Arbitrator's determination of the base rent and all other terms and conditions of a lease for such Expansion Space, and shall notify the parties of such selection. The Arbitrator's decision shall be final and conclusive, and binding on Landlord and Tenant. All costs associated with the Arbitrator shall be shared equally between Landlord and Tenant. If the parties are unable to jointly select the Arbitrator as aforesaid, then the Arbitrator shall be the then president of the District of Columbia Building Industry Association (or its successor), or, if he or she does not meet the above qualifications or desires not to so act, his or her designee (who shall meet such qualifications). Upon determination of the base rent and all other terms and conditions of a lease for such Expansion Space, in accordance with this Article, the parties shall promptly execute an amendment to this Lease stating the base rent and all other terms and conditions of a lease for such Expansion Space, so determined.

(b) Tenant shall have no rights under this Section with respect to any block of Expansion Space, unless and until the Initial Lease-Up Date occurs with respect to such Expansion Space. Tenant's rights under this Section are subject and subordinate to (1) expansion and other rights of all present and future tenants of the Building, and (2) Landlord's right to renew expiring leases pursuant to rights contained in such expiring leases or pursuant to the mutual agreement of Landlord and tenants under such leases. In addition to the foregoing,

and notwithstanding anything in the Lease to the contrary, delivery of possession of the Expansion Space to Tenant and commencement of Tenant's leasing thereof is and shall be subject to Landlord's obtaining possession from any prior tenant or occupant who holds over beyond the applicable lease expiration date, and Tenant shall have no claim against Landlord (for damages or otherwise) and Landlord shall have no obligation or liability for, on account of or with respect to any holdover in all or any portion of the Expansion Space. Tenant shall accept possession of such Expansion Space and commence paying rent therefor on the date of such delivery by Landlord.

(c) If a Material Event of Default exists under this Lease on the date of the Landlord Availability Notice or at any time thereafter until the date the Expansion Space is occupied by Tenant, then, at Landlord's option, Tenant's rights pursuant to this Section shall lapse and be of no further force or effect. Notwithstanding the foregoing, with respect to an uncured Material Event of Default existing as of the date of the Landlord Availability Notice, Landlord must elect to cancel Tenant's right of expansion under this Section within thirty (30) days following the date of the Landlord Availability Notice. If a Material Event of Default occurs after the date of the Landlord Availability Notice (but which Material Event of Default did not exist on the date of the Landlord Availability Notice), Landlord must elect to cancel Tenant's right of expansion under this Section within thirty (30) days following the date upon which such Event of Default occurs.

(d) Tenant's rights of expansion under this Article may be exercised only by Tenant, and may not be exercised by or for the benefit of any transferee, sublessee or assignee of Tenant other than an Affiliate or a permitted assignee of the entire Premises for the entire remaining Lease Term.

(e) If at any time thirty percent (30%) or more of the square feet of rentable area of the Premises has been subleased or assigned (other than to an Affiliate of Tenant), or if this Lease has been terminated with respect to any such portion, then Tenant's rights pursuant to this Section shall lapse and be of no further force or effect.

(f) Tenant has the right under this Section to lease the entire Expansion Space identified in Landlord's Availability Notice only. Tenant has no right to lease less nor more than the entire Expansion Space so identified.

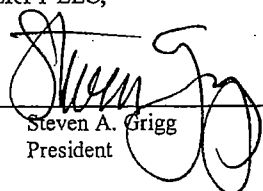
[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

WITNESS/ATTEST:

LANDLORD:

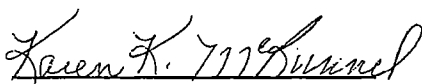
25 MASSACHUSETTS AVENUE
PROPERTY LLC,

By:  [SEAL]
Name: Steven A. Grigg
Title: President

WITNESS/ATTEST:

TENANT:

NATIONAL ASSOCIATION OF
COUNTIES



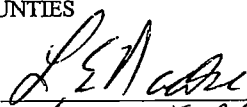
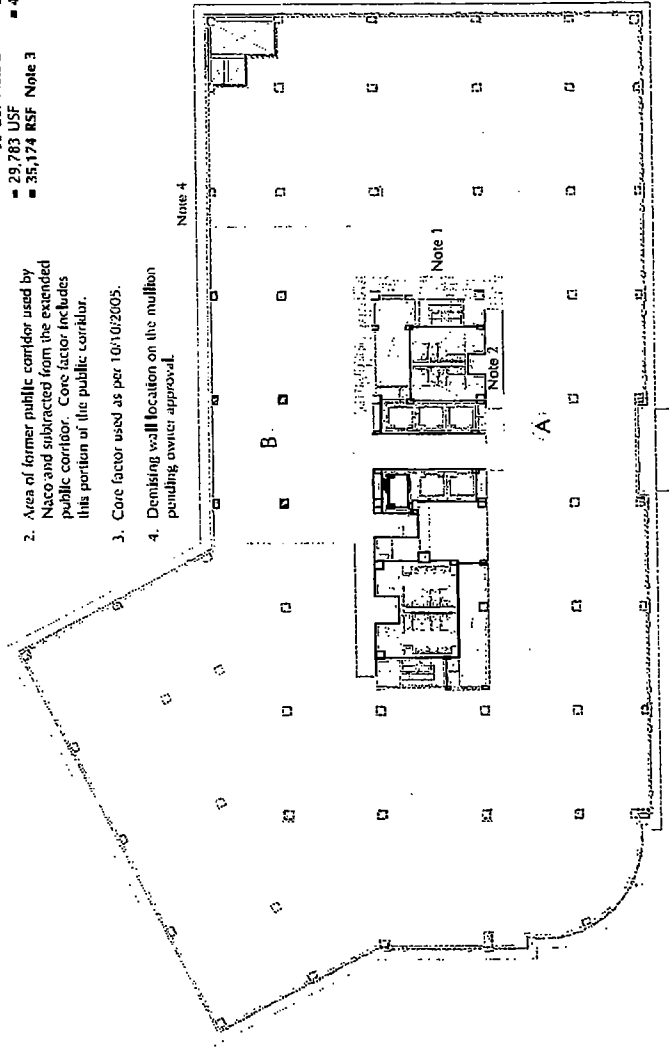
By:  [SEAL]
Name: Larry E. Nasse
Title: Exec. Dir.

EXHIBIT A PLAN SHOWING PREMISES

- Comments:**
1. Area of extended public corridor used by NaCo (shown by hatched lines)
 2. Area of former public corridor used by NaCo and subtracted from the extended public corridor. Core factor includes this portion of the public corridor.
 3. Core factor used as per 10:10:2005.
 4. Denking wall location on the nullion pending owner approval.

NaCo TENANT-A
+ 29,389,676 USF
+ 489 USF Note 1
= 29,783 USF
■ 35,174 RSF Note 3

AVAILABLE TENANT-B
+ 3,811,2176 USF
- 120,000 USF Note 2
= 3,691,2476 USF
■ 4,359,4527 RSF Note 3



25 MASSACHUSETTS AVE, N.W. Washington, DC	NaCo - Option 1.5 Proposed Area Floor 3	LEO A DAY ARCHITECTS 1000 17th Street, N.W. Washington, DC 20036	REPUBLIC SQUARE 1000 17th Street, N.W. Washington, DC 20036	PROJECT NUMBER: 05-27-00001 SCALE: NTS DATE: 10/1/05
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EXHIBIT B
WORK AGREEMENT

This Exhibit B is attached to and made a part of that certain Lease Agreement dated as of _____, 2006 (the "Lease"), by and between **25 MASSACHUSETTS AVENUE PROPERTY LLC**, a Delaware limited liability company ("Landlord"), and **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation ("Tenant"). Terms used but not defined in this Exhibit shall have the meaning ascribed to them in the Lease.

1. Tenant's Authorized Representative. Tenant designates Ed Ferguson ("Tenant's Authorized Representative") as the person authorized to initial all plans, drawings, change orders and approvals pursuant to this Exhibit. Landlord shall not be obligated to respond to or act upon any such item until such item has been initialed by Tenant's Authorized Representative.

2. Base Building Work. Landlord has caused its contractors to construct the base building as described on Schedule I attached to this Exhibit B (the "Base Building Work") in accordance with all applicable Laws and in a good and workmanlike manner substantially in accordance with the construction drawings and specifications listed on Schedule II attached to this Exhibit B ("Outline Specifications"). If Tenant fails to utilize its entire allowance within any category of the Building standard allowances described in Schedule I of this Exhibit B, then Tenant shall not be entitled to any credit therefor.

3. Tenant Work.

(a) Landlord will provide all additional improvements to the Premises over and above the Base Building Work (collectively, the "Tenant Work") in accordance with the approved Final Construction Drawings described below. Tenant shall pay all expenses (including a fee for Landlord's construction management in an amount equal to two percent (2%) of the hard costs of the Tenant Work) incurred in connection with the Tenant Work (including any architectural, engineering, permit, permit expediting, inspection and design fees and costs related thereto, whether incurred by or on behalf of Tenant) to the extent such expenses exceed an amount (the "Improvements Allowance") equal to the product of fifty-seven and 50/100 dollars (\$57.50) multiplied by the number of square feet of rentable area in the Premises (the total of all such expenses in excess of the Improvements Allowance hereinafter referred to as the "Excess Costs Amount"). The Excess Costs Amount shall be determined based on the Contract Price (hereinafter defined) of the Contractor (hereinafter defined) plus any Change Order Costs (hereinafter defined). Within ten (10) business days after Tenant's receipt of an invoice from Landlord (but not more frequently than once each calendar month), Tenant shall pay to Landlord or the Contractor (as Landlord shall indicate in writing) fifty percent (50%) ("Tenant's Fraction") of the amount of each monthly invoice submitted by the Contractor to Landlord and by Landlord to Tenant for payment; provided that Landlord shall simultaneously pay fifty percent (50%) ("Landlord's Fraction") of the amount of each such invoice. From and after the date upon which the aggregate amount of Tenant's Fraction payments exceeds the Excess Costs Amount, Landlord shall be responsible for satisfying one hundred percent (100%) of any subsequent payments required to be made to the Contractor (other than costs for additional work or materials requested by Tenant, including Change Order Costs). All amounts payable pursuant to this Exhibit by Tenant shall be considered additional rent and are subject to the provisions of the Lease.

(b) If and to the extent amounts reserved or applied for the cost of the Tenant Work (as reasonably determined based on the Contract Price and including Change Order Costs) are less than the Improvements Allowance, then the balance of the Improvements Allowance to the extent such balance does not exceed Five Dollars (\$5.00) per square foot of rentable area in the Premises shall be promptly reimbursed to Tenant for architectural and design and legal fees incurred by Tenant in connection with the Premises upon submission by Tenant to Landlord of invoices and reasonable supporting documentation evidencing such fees.

(c) (i) Landlord and Tenant acknowledge and agree that Tenant's Space Plan may require construction of Extended Corridors (as hereinafter defined) on the floor on which the Premises is located. As used herein, the term "Extended Corridors" shall mean extensions of the "Z" corridor (including the elevator lobby) which would normally be constructed by Landlord as part of the base building work on a typical multi-tenant floor. Tenant understands and agrees that any such Extended Corridors shall be constructed as part of Tenant's Work and, except as otherwise specifically provided in (ii) below with respect to finish upgrades, in accordance with base building specifications, at Tenant's expense, subject to the Improvements Allowance and any credits provided to Tenant pursuant to the provisions of subparagraph (ii) below.

(ii) Subject to Landlord's approval, which approval shall not be unreasonably withheld so long as the same are, in Landlord's sole judgment, complimentary with base building finishes and consistent with floor and wall coverings and suite entry doors in first-class office buildings, Tenant shall have the right to have upgraded finishes installed on the floors and walls in the "Z" corridor (including the elevator lobby) and to have an upgraded suite entry door installed for the Premises. If Tenant proposes and Landlord approves such upgrades, then (x) the upgrades shall be used in the Extended Corridors and (y) Landlord shall provide Tenant with a credit equal to the actual costs savings realized by Landlord resulting from such upgrades. In the event Tenant desires to have such upgraded finishes or suite entry door installed, Tenant shall propose such upgrades in the Preliminary Working Drawings submitted to Landlord for Landlord's approval.

4. Schedule.

(a) In the event any plans and drawings may be prepared by Landlord's architect or engineer at the request of Tenant, such plans and drawings will be prepared on Tenant's behalf and Tenant shall be solely responsible for the timely completion of all plans and drawings and for their compliance with all Laws. Hard copies of certain plans and specifications for the Building are available for Tenant's inspection at the property manager's offices. Electronic copies of the entire set of Base Building Plans and Specifications (together with one (1) complete half-sized hard copy thereof) shall be delivered to Tenant promptly following Tenant's written request (but not more than once) which includes the email address and mailing address to which the same shall be delivered. All of Tenant's plans and drawings for the Tenant Work shall be prepared by a licensed architect and engineer selected by Tenant and approved by Landlord (Landlord hereby approving Davis Carter Scott as Tenant's architect) ("Tenant's Architect"), shall be in a form sufficient to secure the approval of government authorities with jurisdiction over the approval thereof, and shall be otherwise reasonably satisfactory to Landlord.

(b) As of the date of this Lease, Landlord acknowledges receipt of a final space plan dated April 21, 2006 from Tenant. Landlord shall review and comment upon the final space plan submitted by Tenant not later than May 15, 2006. Said final space plan, as finally approved by Landlord and Tenant, shall hereinafter be referred to as "Tenant's Space Plan".

(c) Tenant shall submit to Landlord for Landlord's approval final architectural, mechanical and engineering working drawings (the "Preliminary Working Drawings") on or before June 16, 2006. Such architectural working drawings shall include: master legend, construction plan, reflected ceiling plan, telephone and electrical outlet layout, finish plan and all architectural details, elevations and specifications necessary to construct the Tenant Work and the Preliminary Working Drawings shall be sufficient both to secure any and all building and other permits required in connection with the construction of the Tenant Work and to solicit bids for the Tenant Work from the applicable contractors. Said Preliminary Working Drawings, when approved by both Landlord and Tenant in accordance with this Exhibit, are referred to herein as the "Final Working Drawings". Landlord shall submit for building permits on a third-party basis within three (3) business days after Landlord's receipt of the Preliminary Working Drawings.

(d) (i) Landlord shall review and comment in reasonable detail on each of the Preliminary Working Drawings, the Final Working Drawings and Final Construction Drawings (hereinafter defined) within ten (10) business days (or such shorter period as may expressly be set forth below) after receipt of same. If Landlord provides comments to any such plans or drawings which shall necessitate changes thereto in accordance with approval standards of Paragraph 5 below, then Tenant shall revise same and resubmit the revised plans or drawings to Landlord for review. Landlord shall review or comment in reasonable detail on all revised plans or drawings (that have been approved by Tenant and are re-submitted to Landlord for approval) within two (2) business days after receipt of same. If Landlord provides comments to a revised plan or drawing in accordance with approval standards of Paragraph 5 below, then the process outlined above shall continue with all subsequent review and comment periods of Landlord being limited to two (2) business days (it being understood that Landlord shall be entitled to comment solely on the revised portions of such plan or drawing, unless the revisions affect any other portion of the plan or drawing).

(ii) On or before July 3, 2006, Tenant shall submit the Final Working Drawings (i.e., the Preliminary Working Drawings with all revisions thereto approved by Tenant and Landlord) to Landlord along with Tenant's formulation of alternates for value engineering purposes which Tenant desires that Landlord incorporate into the bidding of the construction contract for the Tenant Work. Within five (5) days after submission to Landlord by Tenant of the Final Working Drawings and Tenant's formulation of alternates, Landlord shall submit the Final Working Drawings (including Tenant's formulation of alternates) to the contractors for bidding purposes in accordance with the provisions set forth below. Within five (5) business

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EXHIBIT B

WORK AGREEMENT

This Exhibit B is attached to and made a part of that certain Lease Agreement dated as of _____, 2006 (the "Lease"), by and between 25 MASSACHUSETTS AVENUE PROPERTY LLC, a Delaware limited liability company ("Landlord"), and NATIONAL ASSOCIATION OF COUNTIES, a Delaware not-for-profit corporation ("Tenant"). Terms used but not defined in this Exhibit shall have the meaning ascribed to them in the Lease.

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2. Base Building Work. Landlord has caused its contractors to construct the base building as described on Schedule I attached to this Exhibit B (the "Base Building Work") in accordance with all applicable Laws and in a good and workmanlike manner substantially in accordance with the construction drawings and specifications listed on Schedule II attached to this Exhibit B ("Outline Specifications"). If Tenant fails to utilize its entire allowance within any category of the Building standard allowances described in Schedule I of this Exhibit B, then Tenant shall not be entitled to any credit therefor.

3. Tenant Work.

(a) Landlord will provide all additional improvements to the Premises over and above the Base Building Work (collectively, the "Tenant Work") in accordance with the approved Final Construction Drawings described below. Tenant shall pay all expenses (including a fee for Landlord's construction management in an amount equal to two percent (2%) of the hard costs of the Tenant Work) incurred in connection with the Tenant Work (including any architectural, engineering, permit, permit expediting, inspection and design fees and costs related thereto, whether incurred by or on behalf of Tenant) to the extent such expenses exceed an amount (the "Improvements Allowance") equal to the product of fifty-seven and 50/100 dollars (\$57.50) multiplied by the number of square feet of rentable area in the Premises (the total of all such expenses in excess of the Improvements Allowance hereinafter referred to as the "Excess Costs Amount"). The Excess Costs Amount shall be determined based on the Contract Price (hereinafter defined) of the Contractor (hereinafter defined) plus any Change Order Costs (hereinafter defined). Within ten (10) business days after Tenant's receipt of an invoice from Landlord (but not more frequently than once each calendar month), Tenant shall pay to Landlord or the Contractor (as Landlord shall indicate in writing) fifty percent (50%) ("Tenant's Fraction") of the amount of each monthly invoice submitted by the Contractor to Landlord and by Landlord to Tenant for payment; provided that Landlord shall simultaneously pay fifty percent (50%) ("Landlord's Fraction") of the amount of each such invoice. From and after the date upon which the aggregate amount of Tenant's Fraction payments exceeds the Excess Costs Amount, Landlord shall be responsible for satisfying one hundred percent (100%) of any subsequent payments required to be made to the Contractor (other than costs for additional work or materials requested by Tenant, including Change Order Costs). All amounts payable pursuant to this Exhibit by Tenant shall be considered additional rent and are subject to the provisions of the Lease.

(b) If and to the extent amounts reserved or applied for the cost of the Tenant Work (as reasonably determined based on the Contract Price and including Change Order Costs) are less than the Improvements Allowance, then the balance of the Improvements Allowance to the extent such balance does not exceed Five Dollars (\$5.00) per square foot of rentable area in the Premises shall be promptly reimbursed to Tenant for architectural and design and legal fees incurred by Tenant in connection with the Premises upon submission by Tenant to Landlord of invoices and reasonable supporting documentation evidencing such fees.

(c) In consideration of the fact that the elevator lobby and the "Z" corridor on the floor on which the Premises is located shall be constructed as part of Tenant's Work, Landlord shall provide Tenant with a credit equal to the actual costs savings realized by Landlord resulting therefrom. Notwithstanding the foregoing, it is understood and agreed that the elevator lobby,

the wall covering and floor covering in

the wall covering and floor covering in

the "Z" corridor and any extended corridors required to be constructed in light of Tenant's Space Plan configuration shall be constructed as part of Tenant's Work ~~utilizing base building specifications~~, subject to the Improvements Allowance and any credit provided pursuant to this subparagraph. 4

4. Schedule.

(a) In the event any plans and drawings may be prepared by Landlord's architect or engineer at the request of Tenant, such plans and drawings will be prepared on Tenant's behalf and Tenant shall be solely responsible for the timely completion of all plans and drawings and for their compliance with all Laws. Hard copies of certain plans and specifications for the Building are available for Tenant's inspection at the property manager's offices. Electronic copies of the entire set of Base Building Plans and Specifications (together with one (1) complete half-sized hard copy thereof) shall be delivered to Tenant promptly following Tenant's written request (but not more than once) which includes the email address and mailing address to which the same shall be delivered. All of Tenant's plans and drawings for the Tenant Work shall be prepared by a licensed architect and engineer selected by Tenant and approved by Landlord (Landlord hereby approving Davis Carter Scott as Tenant's architect) ("Tenant's Architect"), shall be in a form sufficient to secure the approval of government authorities with jurisdiction over the approval thereof, and shall be otherwise reasonably satisfactory to Landlord.

(b) As of the date of this Lease, Landlord acknowledges receipt of a final space plan dated April 21, 2006 from Tenant. Landlord shall review and comment upon the final space plan submitted by Tenant not later than May 15, 2006. Said final space plan, as finally approved by Landlord and Tenant, shall hereinafter be referred to as "Tenant's Space Plan".

(c) Tenant shall submit to Landlord for Landlord's approval final architectural, mechanical and engineering working drawings (the "Preliminary Working Drawings") on or before June 16, 2006. Such architectural working drawings shall include: master legend, construction plan, reflected ceiling plan, telephone and electrical outlet layout, finish plan and all architectural details, elevations and specifications necessary to construct the Tenant Work and the Preliminary Working Drawings shall be sufficient both to secure any and all building and other permits required in connection with the construction of the Tenant Work and to solicit bids for the Tenant Work from the applicable contractors. Said Preliminary Working Drawings, when approved by both Landlord and Tenant in accordance with this Exhibit, are referred to herein as the "Final Working Drawings". Landlord shall submit for building permits on a third-party basis within three (3) business days after Landlord's receipt of the Preliminary Working Drawings.

(d) (i) Landlord shall review and comment in reasonable detail on each of the Preliminary Working Drawings, the Final Working Drawings and Final Construction Drawings (hereinafter defined) within ten (10) business days (or such shorter period as may expressly be set forth below) after receipt of same. If Landlord provides comments to any such plans or drawings which shall necessitate changes thereto in accordance with approval standards of Paragraph 5 below, then Tenant shall revise same and resubmit the revised plans or drawings to Landlord for review. Landlord shall review or comment in reasonable detail on all revised plans or drawings (that have been approved by Tenant and are re-submitted to Landlord for approval) within two (2) business days after receipt of same. If Landlord provides comments to a revised plan or drawing in accordance with approval standards of Paragraph 5 below, then the process outlined above shall continue with all subsequent review and comment periods of Landlord being limited to two (2) business days (it being understood that Landlord shall be entitled to comment solely on the revised portions of such plan or drawing, unless the revisions affect any other portion of the plan or drawing).

(ii) On or before July 3, 2006, Tenant shall submit the Final Working Drawings (i.e., the Preliminary Working Drawings with all revisions thereto approved by Tenant and Landlord) to Landlord along with Tenant's formulation of alternates for value engineering purposes which Tenant desires that Landlord incorporate into the bidding of the construction contract for the Tenant Work. Within five (5) days after submission to Landlord by Tenant of the Final Working Drawings and Tenant's formulation of alternates, Landlord shall submit the Final Working Drawings (including Tenant's formulation of alternates) to the contractors for bidding purposes in accordance with the provisions set forth below. Within five (5) business

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Notwithstanding any of the foregoing to the contrary, Landlord shall construct, at its sole cost, the aforesaid elevator lobby and corridors in a condition as specified in the Base Building Plans and Specifications (other than the wall covering and floor covering) in condition ready to install the wall covering and floor covering.

days following Tenant's receipt of the contractor's bids and cost estimates, Tenant shall (x) make its final determinations with respect to alternates, and (y) submit to Landlord any necessary revisions to the Final Working Drawings based on the Tenant's Space Plan approved by Landlord and Tenant, the Final Working Drawings approved by Landlord and Tenant, and Tenant's selection of alternates. Said Final Working Drawings, when approved by both Landlord and Tenant in accordance with this Exhibit, are referred to herein as the "Final Construction Drawings".

(iii) Landlord shall solicit bids from at least three (3) prospective general contractors on the Tenant Work requiring responses thereto within three (3) weeks after receipt of the request for bids. Tenant's architect shall assist Landlord in the preparation of the bid solicitation process. The list of general contractors who shall include at least one (1) general contractor selected by Tenant (if timely) and reasonably approved by Landlord. Tenant shall have the right to approve of the general contractors on Landlord's list, which approval shall not be unreasonably withheld, conditioned or delayed (Tenant hereby approving requesting of bids from Clark Construction, Forrester Construction, Structuretone, and Coakley Williams). Tenant shall have the opportunity to review and provide input concerning the bids, which Tenant agrees to do in a timely and good faith manner. Tenant's architect shall, if requested by Tenant, shall include in the bid packages prepared a requirement that the bids identify any items that the contractor will consider "long lead items." The selection of the general contractor who shall perform the Tenant Work (the "Contractor") shall be made by Landlord's construction manager with input from Tenant and Tenant's Architect, each acting in his or her respective reasonable and good faith professional judgment, within five (5) business days after receipt of the bids. In making such selection, said parties shall take into consideration all relevant factors, including, without limitation, the bid prices, each general contractor's proposed project management team, each general contractor's reliability and reputation for quality workmanship and timeliness of performance, each general contractor's past job performance and projected current performance ability (considering, among other things, the timing, complexity and size of the job), each general contractor's willingness to employ best business practices to obtain competitive pricing (including obtaining bids from at least three (3) subcontractors in major trades) (which competitive pricing requirement with respect to subcontractors in major trades may also be included in bid packages prepared by Tenant's architect), and the ability of each general contractor to satisfy the licensing and insurance requirements for the job (it being agreed that Landlord's construction manager shall select the lowest cost responsive bid, unless otherwise directed by Tenant. If any disputes shall develop within said 5-business day period, then Landlord shall have the right to select the Contractor based on said criteria. The amount set forth in the bid provided by the selected Contractor is referred to in this Exhibit B as the "Contract Price."

(e) The deadlines specified in this Paragraph shall apply whether plans and drawings are prepared by Landlord's architect or engineer or Tenant's Architect or an engineer selected by Tenant. All deadlines must be met in order to allow Landlord and Tenant sufficient time to review plans and drawings, discuss with the other any changes thereto which either believes to be necessary or desirable, and complete the Premises within the time frame provided in Article III of the Lease. The parties intend for each such deadline to be the applicable deadline, even if any such deadline is before the date the Lease is executed.

(f) Notwithstanding the foregoing, except as otherwise expressly provided herein, Landlord shall not be required to perform work which would require changes to structural components or the exterior design of the Building, require any material modification to the Building's mechanical installations or installations outside the Premises, not comply with all Laws, be incompatible with the building plans filed with appropriate governmental authorities or with the occupancy of the Building as a first-class office building, or delay the completion of any other work in the Building. Any changes required by any government department affecting the construction of the Building or the Premises shall not be deemed to violate any plans or provisions of this Exhibit, and shall be accepted by Tenant.

(g) Landlord shall provide the construction management services outlined in Schedule III to this Exhibit B in connection with the Tenant Work.

5. Approval. All plans and drawings (and changes thereto) shall be subject to Landlord's written approval in accordance with the approval mechanisms for structural and non-

structural Alterations set forth in Section 9.2 of the Lease. Any such approval shall not constitute either (a) approval of any delay caused by Tenant or a waiver of any right or remedy that may arise as a result of such delay, or (b) Landlord's representation that such approved plans, drawings or changes comply with all Laws. Any deficiency in design or construction, although same had prior approval of Landlord, shall be solely the responsibility of Tenant.

6. Change Orders. If Tenant requests any change or addition to the work or materials to be provided by Landlord pursuant to this Exhibit, then all net additional expenses (the "Change Order Costs") attributable to any change order requested by Tenant and approved by Landlord (including Landlord's construction management fee), whether such change order relates to changes or additions to the Base Building Work or to the Tenant Work, shall be payable by Tenant prior to the performance of the work contemplated by such change order. If Landlord submits an estimate of the additional expenses attributable to a change order, then Tenant shall pay such estimated additional expenses prior to the performance of the work contemplated by such change order. If the actual additional expenses attributable to such change order exceed such estimated additional expenses, then Tenant shall pay the amount of such excess no later than thirty (30) days after Tenant's receipt of a bill therefor. If such estimated additional expenses exceed the actual additional expenses attributable to such change order, then the amount of such excess shall be credited against the first installment(s) of rent.

7. Substantial Completion.

(a) Except as provided in Paragraph 7(b), the Premises shall be deemed to be substantially complete when (i) the Tenant Work to be provided by Landlord pursuant to this Exhibit (except for items of work and adjustment of equipment and fixtures that can be completed after the Premises are occupied without causing substantial interference with Tenant's use of the Premises (i.e., the "punch list" items)) have been completed, as reasonably determined by Tenant's architect, in its reasonable professional judgment with input from Tenant's Architect in its reasonable professional judgment (both in accordance with AIA standards); (ii) Landlord or its designee shall have obtained a temporary or permanent certificate of occupancy or non-residential use permit for the Building or for the portion of the Building where the Premises are located and the common areas adjacent thereto, subject to Tenant's obligations specified in Section 6.1; (iii) all sanitary, electrical, heating, ventilating, air conditioning systems and elevators included in the Base Building Work are operational; and (iv) parking in the Parking Facility is available to accommodate Tenant's parking rights under the Lease.

(b) If Landlord shall be delayed in completing the work and materials to be provided pursuant to this Exhibit as a result of (1) Tenant's failure to comply with any of the deadlines specified in this Exhibit or with any of the other requirements of this Exhibit or the Lease, (2) Tenant's request for modifications to plans or working drawings subsequent to the date such plans or working drawings are approved by Landlord, (3) Tenant's failure to pay when due any amount required pursuant to this Exhibit, (4) Tenant's request for long-lead time materials, finishes or installations (Landlord hereby agreeing that promptly after submission to Landlord of the appropriate plan and, at Tenant's request, Landlord shall notify Tenant of its good faith determination of which items may be long-lead time items), or (5) the performance or timing of any work, or the entry into the Premises, by Tenant or any person or firm employed or retained by Tenant, including Tenant's architect (each, a "Tenant Delay"), then for purposes of determining the Lease Commencement Date, the work and materials to be provided pursuant to this Exhibit shall be deemed to have been substantially complete on the date that Tenant's architect determines in its reasonable professional judgment (in accordance with AIA standards), that such work and materials would have been substantially complete if such Tenant Delay(s) had not occurred. Landlord shall promptly notify Tenant in writing if Landlord believes that Tenant Delay is occurring.

8. Possession. Tenant's taking of possession of the Premises shall constitute Tenant's acknowledgment that the Premises are in good condition and that all work and materials are satisfactory, except as to any defect or incomplete work that is described in a written notice (the "punchlist") given by Tenant to Landlord not later than the day Tenant takes possession of the Premises, and except for items which Tenant's architect or the Building engineer confirms are latent defects (which punchlist items, defects, incomplete work or latent defects Landlord shall promptly repair). Tenant and its agents shall have no right to make any Alteration in the Premises until Tenant submits such written punchlist. Landlord shall promptly correct and

complete those defects and incomplete items described in such punchlist which the Building's architect, in its reasonable professional judgment with input from Tenant's Architect in its reasonable professional judgment (both in accordance with AIA standards) confirms are in fact defects or incomplete items. Tenant shall accompany Landlord to prepare the punchlist on or before the date Tenant takes possession of the Premises. Landlord shall assign to Tenant any warranties provided with respect to Tenant Items (as defined in Section 8.1) (it being understood that Tenant's architect may, upon request of Tenant, include in the bid packages, a requirement that such warranties for Tenant Items be for a one (1) year period from substantial completion of the Tenant Work).

Initials of:

Landlord: _____

Tenant: _____

EXHIBIT B

SCHEDULE I

Base Building Work

The following specifications define the Base Building Work as applicable to the Premises, which shall be provided by the Landlord at its sole cost and expense including but not limited to, architectural and engineering design, permits, labor, material, freight, taxes, insurance, bonds, inspections, and other sundry costs. Except as otherwise expressly noted herein, the Tenant Improvement Allowance(s) shall not be used, allocated, charged against or drawn on for any items or related items contained in the Base Building Work.

With respect to base building and base building systems improvements, if any, Landlord shall consider design review and commentary from Tenant's architects and engineers. Landlord shall consider Tenant's input for any and all building enhancements or modifications that affect the Tenant's use and occupancy of the Building and Tenant's premises, including but not limited to, all wall layout, all finishes, fixtures and equipment for and in the core restrooms, the main lobby, floor elevator lobbies, and exterior improvements, such as the front entrance, canopy and exterior building signage.

This Exhibit delineates only the building design and construction standards required for the building elements and systems which affect the Premises.

All construction shall be new and shall at a minimum be designed, performed and constructed in accordance with the then current building codes, regulations and applicable laws including but not limited to, the Americans With Disabilities Act Accessibility Guidelines, and in accordance with the following specifications. In the event that a specification exceeds the minimum requirement by code, regulation or law, the higher and best use specification shall be constructed.

All materials, finishes and construction shall be equivalent in quality and application consistent with new 1st class buildings in the primary business districts of the locale. All Landlord work shall include construction rough and final cleaning. Tenant acknowledges that the Building is currently under construction.

DEMOLITION - Not included (Tenant cost).

FOUNDATIONS – Not applicable.

STRUCTURE

Floor Height, Slabs & Reinforcement:

- (a) Slab-to-slab height adequate to allow at an average finished ceiling height Above Finished Floor (A.F.F.) of eight feet ten inches (8'10") (A.F.F.) for the Third Floor Space.
- (b) Floor flatness (FF) and floor levelness (FL) shall meet ACI 117 specifications for the appropriate classification of concrete slabs (i.e., office). Floor leveling and flash patching provided by Landlord to achieve FF and FL.
- (c) Office area loading capacity minimum: 80 psf live + 20 psf dead = 100 psf total.
 - (d) Structural reinforcement may be included to provide for Tenant's specialty item/use, including but not limited to such items as exterior signage, satellite dishes/antennae, moving file systems, concentrated filing areas, and interconnecting stairwell(s), as applicable. Landlord shall consider such installations and necessary structural modifications to accommodate same at Tenant's cost.
- (d) Structural reinforcement on floors and/or roof for Tenant supplemental HVAC equipment, including but not limited to dry coolers and fans. Each floor has a 30' x 30' bay adjacent to the core with 150 pound load capacity.

EXTERIOR WALL

Wall assembly:

- (a) Exterior finish materials shall include but not be limited to, architectural cast stone, and caulking/sealants and thermally broken ribbon window system with high performance low-E insulated glazing
- (b) Thermal insulation with R value as required by current ASHRAE and other applicable codes and standards.
- (c) Waterproofing.
- (d) Interior side of exterior wall assembly (including sills, column enclosures) shall be insulated, drywalled, taped, spackled and readied (Level 4 finish) for painting to a minimum of 6" above Tenant's finished ceiling line.

Glass & Glazing:

- (a) "Low E" 1" thick minimum dual pane insulated glass with thermally broken mullion system.
- (b) Minimum five (5) foot wide by six (6) foot high vision glass typical (width may be variable subject to Tenant's layout design). Sill height shall not be greater than 33 1/8 inches AFF.
- (c) Window sills shall be complete.
- (d) Storefront with metal stool cover vestibule entries with factory finish mullion or butt glazing system. Main building entry shall be weatherproofed to eliminate drafts and shall include security hardware for controlled entry.

Window blinds: adjustable 1" horizontal metal mini-blinds on all exterior vision glass. Color of the window blinds to be standardized as determined by Landlord.

ROOF & WATERPROOFING

1. Roof:

- (a) Fluid-Applied Protected Membrane Roofing Mechanically adhered American Hydrotech Monolithic Membrane MM6125 IRMA roofing system with minimum 60 mil thick membrane.
- (b) Maximum U factor: 0.05 BTU/hr/sf/°F.
- (c) Minimum 20 year manufacturer's warranty.
- (d) Structural reinforcement to support HVAC gear/components, rigging systems for exterior building maintenance (window washing, caulking, etc.) and Tenant specialty items, including but not limited to, satellite dish(es) and antennae(s), if applicable. Tenant to advice of special requirements, work to be performed at tenant's expense.
- (e) Pitch pockets and other Weathertight flashing for all roof penetrations.
- (f) New roof coping and flashing.
- (g) Weathertight access hatch and ladder, or secure roof top access door, as applicable.
- (h) Rain leaders and scuppers as required with debris guards.

2. Waterproofing – Maintain and repair by Landlord as required.

3. **Lightning Protection System**

- (a) New lightning protection system at roof and terraces, if any, in accordance with FM standards.

PARKING / PARKING GARAGE

1. Landlord shall cooperate with Tenant, and Tenant's architect and engineers, to avoid a reduction in the existing quantity of parking spaces which could or might result from the design and execution of base building improvements by Landlord to the extent that Tenant's parking ratios per rentable square foot are not achievable.
2. Parking to include an update controlled access system.
3. All, striping, handicap signage, fire egress and core room signage as required by code.
4. Garage ventilation and sprinkler/standpipe system as required by code.
5. All garage lighting to be new. Illuminance values for the lighting in the driveways, parking and walkway areas shall meet or exceed industry standards (such as, but not limited to, CIE, the International Commission on Illumination or IES) for recommended illuminance ranges to provide for appropriate visibility and to provide for personal safety security.

VERTICAL TRANSPORTATION

1. Elevators and elevator system. —:
 - (a) Quantity and design for forty five (45) second maximum interval and 12%-13% population handling capacity. Elevators to have center opening doors.
 - (b) Door restrictors to prevent opening of interior car doors between floors.
 - (c) One elevator cab to serve as a freight elevator and be positioned to serve "back of the house" functions.
 - (d) Two (2) elevators shall also serve the parking garage.
 - (e) Electric traction type hoist system – minimum 3,500 lb. capacity.
 - (f) Interior finish for cabs shall be at the quality and level for 1st class buildings in the primary business districts of the Metropolitan Washington DC area. Floor of elevator cabs shall be stone.
 - (g) Micro-processor based control system. Elevator call push buttons and directional lanterns.
 - (h) Individual floor programmable lock-off/controlled access capability with all controls, wiring, connections and devices included.
 - (i) Conditioned elevator machine room.

INTERIOR FINISHES/ELEMENTS

Main Lobby, Elevator Lobbies, Core & Core Corridors, Restrooms, Utility Rooms, Stairwells:

The following elements are common to each of the areas, unless otherwise noted:

- (a) GWB partitions – slab to slab insulated.
- (b) Solid core stain grade premium grade wood doors with narrow profile metal frames (fire rated as applicable) for all core doors. Stairwell doors shall have mortise hardware with electrified locksets tied into the Building's life safety system. Restrooms shall have mortise hardware locksets.

- (c) Emergency exit lighting and signage.
- (d) Emergency white circuits tied into lights.
- (e) Light switches and convenience electrical power outlets including but not limited to GFI outlets in wet locations.
- (f) Fire detection and alarm devices, including but not limited to, heat and smoke detectors, pull stations, audio/visual alarms and strobes, speakers, and smoke/fire dampers, including all interconnections to the Building fire alarm and control system.
- (g) Separate HVAC zone for the main building lobby with all ductwork (including air transfer ducts), dampers, diffusers and controls as required. All other elevator lobbies shall be served from the main building HVAC system with dedicated VAV's and related ductwork, diffusers and controls.
- (h) Full sprinkler with recessed heads (concealed/flush mounted with cover plates) located in center of tile or aligned in GWB ceiling systems.
- (i) Fire extinguishers and cabinets.
- (j) Fire hose bib & valve cabinets.

Typical Elevator Lobbies:

- (a) Upgraded flooring – stone (e.g., granite or marble), or carpet and stone combination by Tenant at Tenant's cost. Landlord provides carpet.
- (b) Landlord shall provide walls ready to receive paint or other finish by Tenant.
- (c) Elevator doors and door jambs clad with painted metal. Elevator openings shall be complete with bronze thresholds.
- (d) Specialty lighting (wall washers, pendants, sconces, indirect cove, etc.).
- (e) Gypsum board ceilings (cove, recessed or vaulted) with bulkheads or soffits.
- (f) Elevator call buttons and directional lanterns.

1. Core & Core Corridors:

- (a) Carpet floor covering – minimum of 30 ounce face weight.
- (b) Lay-in acoustical tile ceilings.
- (c) Lighting – 2'x 4' fluorescent fixtures, downlights, cove up lights and wallwashers.
- (d) Fabric/vinyl wallcovering or specialty paint (Polymix).
- (e) Hi/Lo electric water coolers.

2. Restrooms:

- (a) Ceramic tile flooring and walls Wallpaper and carpet at all bathroom vestibules.
- (b) Approximately six (6) foot high tile on all wet walls.
- (c) Vinyl wallcovering or Polymix on walls above stone tile.
- (d) Painted gypsum wallboard ceiling with GWB soffits/bulkheads.
- (e) Wall hung toilet fixtures with automatic flush sensors and valves.

- (f) Underhung lavatories with lever trim in monolithic stone countertops with automatic dispensing (water and soap) fixtures.
 - (g) Electric water heater(s) as required to provide hot water to restrooms.
 - (h) All toilet accessories to include but not be limited to, mirrors, dispensers, receptacles and handicap accessibility/support mechanisms.
 - (i) Ceiling mounted toilet partitions, metal with baked enamel finish or epoxy resin.
 - (j) Supply air ductwork and diffuser (no separate thermostat) provided in addition to exhaust system.
 - (k) Floor drain with backflow check valve in each toilet room.
3. Mechanical / Telephone / Electrical Rooms:
- (a) Sealed epoxy painted concrete floor.
 - (b) No ceiling.
 - (c) Painted walls on CMU or drywall walls (properly rated).
 - (d) Fire rate plywood backboards on three walls of telephone room for telephone equipment.
 - (e) Air to telephone/electrical rooms shall be provided from a transfer duct from the return air plenum with an exhaust grille located in each room connected to the same exhaust duct riser.
 - (f) Floor drains with backflow check valves and overflow curbs in mechanical rooms.
4. Janitor Closets:
- (a) Ceramic tile flooring.
 - (b) Ceramic tile walls.
 - (c) Utility sink/basin.
 - (d) Acoustic tile ceiling.
 - (e) Fluorescent lighting.
5. Stairwells:
- (a) CMU or rated drywall assembly (shaftwall).
 - (b) Painted— treads, risers and landings
 - (c) Stairwell railings with painted finish.
 - (d) Painted walls.
 - (e) Fluorescent lighting with emergency white and emergency exit lighting.
 - (f) Landlord shall allow Tenant, at Tenant's option and cost, to upgrade finishes and treatments in fire egress stairwells beyond the provisions above.
6. Tenant Areas:
- (a) Base Building systems shall be installed to allow for installation of an average finished ceiling height of ten foot and six inches (10' 6") A.F.F. on the first floor") and eight foot ten inches (8' 10") A.F.F. on the second floor throughout

with sufficient clearance for installation of supply/return air boots and building standard lighting fixtures at any location.

- (b) All interior columns drywalled, taped, spackled and readied for painting to 6" above finished ceiling line. Column depth wrapped with 1-5/8 inch furring channel and 1/2 inch sheetrock.

SPECIALTIES AND EQUIPMENT

1. Access System:

- (a) Controlled entry system (Datawatch, Kastle, or equal). Parking garage, base building, elevator, fire egress stairwells (except as noted in (b) below) and specific floor access shall require the use of a single access control device by the Tenant.
 - (b) All fire stairwell doors on Tenant's floors – controlled and tied into base building life safety system, by use of electric mortise locksets.
 - (c) Elevator cabs shall have individual floor lock-off capability – fully installed and operational.
 - (d) Central computer or dedicated tie to 24 hour service.
- 2. Signage and placards for all "core" rooms including but not limited to, restrooms, utility rooms, suite numbering, stairwells, and all directional and instructional evacuation signs.
 - 3. Building Directory Interactive Panel signage in the main building lobby.
 - 4. All utility connections and fees charged by governmental, quasi-governmental and public utility companies.
 - 5. Window washing anchors/devices on roof, as required.

PLUMBING

1. Piping:

- (a) Below grade sanitary and storm: Cast iron with bell and spigot couplings.
- (b) Above grade sanitary and storm: Service weight cast iron hubless with heavy duty all stainless steel clamps. Per CISPI 310.
- (c) All domestic water supply piping for base building requirements and taps for Tenant's requirements. Domestic water pressure booster pump, if required.
- (d) Piping insulation per ASHRAE 90.1
- (e) Loop isolation valves per floor for domestic water supply.

2. Fixtures:

- (a) Comply with current Energy Policy Act.
- (b) Wall hung water closets and urinals hands-free automatic flush sensors and valves.
- (c) Underhung, oval lavatories with hands-free automatic dispensing sensors.
- (d) Central Domestic Chilled Water System
- (e) Meters as required by code or utility authorities.
- (f) Type L hard –drawn copper tube with wrought copper type solder joints.

3. A minimum of three (3) wetstacks per floor, with valves and connections to domestic water supply, waste & vent lines..

FIRE PROTECTION

1. Design:
 - (a) In accordance with NFPA and local authority; including fire standpipe supply risers and drains, fire pump, and all appropriate sprinkler flow and tamper alarm devices interconnected to the Building fire alarm system.
2. Sprinkler Heads:
 - (a) Sprinkler system shall be sized to meet Ordinary Hazard classification.
 - (b) Common/Core areas: Full sprinkler with recessed heads (concealed/flush mounted with coverplates) located in center of tile, or aligned in GWB or other ceiling system.
 - (c) Tenant areas: Full sprinkler on a ratio of one (1) per 225 square feet. Sprinkler heads shall be installed in a loft condition. Tenant shall provide timely input to the base building sprinkler shop drawings.
 - (d) Provide separate fire hose bibs, valves, and hoses with enclosures, as required.
 - (e) Provide external Siamese hose bib connections, as required.
3. Fire Proofing:
 - (a) Fire proof structural steel supports and vertical penetrations as required by code.
4. Stairwell Pressurization:
 - (a) Stairwell pressurization system as required by code. Seal stairwells including but not limited to providing seals around stairwell doors.

H.V.A.C.

1. System Design Specifications:
 - (a) Outdoor Conditions: per ASHRAE guidelines 90 and 62 (1% outdoor criteria).
 - (b) Indoor Conditions:
 1. Winter: 72 degrees DB
 2. Summer: 75 degrees DB, 50% relative humidity
 - (c) Internal heat gain based:
 1. 1 person per 150 s.f.
 2. Lighting load at 2 watts / s.f.
 3. Equipment load of 3 watts / s.f.
 - (d) NC 40 in all office spaces. Provide sound attenuators, soundlining, and reduced air velocity as required. Sound attenuate mechanical rooms to NC 40 for tenant spaces immediately adjacent to mechanical rooms.
 - (e) Fresh air/ventilation minimum per ASHRAE 62-1989 or then current standard: including but not limited to, 20 cfm/person for office areas, and 50 cfm/person for conference areas. Tenant shall provide conference area/rooms location information to the Landlord in a timely manner so that Landlord can integrate requirements into the base building design modifications and contractor bidding.

- (f) Separate, ducted fan exhaust systems (fans, motors, duct, louvers, controls) for parking garage, toilet rooms, and telephone and electrical rooms. Building is equipped with a kitchen exhaust shaft.
- (g) Separate cooling loop on each floor (Two (2) 2-1/2" (condenser water as the building design dictates) for Tenant's supplemental air conditioning system requirements. Separate loop shall be capable of providing 24 hours x 7 days per week x 365 days per year operation including all necessary taps, isolation valves, and drains (Condensate lines from added HVAC units to the Landlord furnished condensate risers are the responsibility of the tenant.
- (h) HVAC system utilizes low temperature air. Tenant and it's designers/consultants must design the ductwork, insulation, diffusers, etc. accordingly.

2. Ductwork:

- (a) All ductwork in accordance with SMACNA, latest edition.
- (b) All supply ductwork up to and including VAV terminals. Tenant is responsible for all ductwork downstream of the VAV boxes, and the associated registers, grilles, and diffusers.
- (c) All return ductwork, transfers and grilles as required.
- (d) All perimeter HVAC equipment downstream of VAV terminals along exterior of building provided by Tenant at Tenant cost.
- (e) Minimum 4" static construction for ductwork from air handling equipment to VAV terminals.
- (f) Return and exhaust ductwork.
- (g) Sound lining/duct insulation for twenty-five (25) feet beyond supply fans. Baffles attached to VAV terminals in sensitive areas, as required by Tenant.
- (h) Vibration isolation curbs or dunnage for all roof mounted base building HVAC equipment.
- (i) Dampers, plenum boxes, return air transfer ducts, O.A. grilles, fire dampers and smoke duct detectors as required for base building, core, lobby and core corridor construction.
- (j) Sound attenuated Z offset return air transfer ducts at core, lobby, and slab to slab walls.

3. Insulation:

- (a) 1-1/2" minimum blanket insulation for all supply ductwork up to VAV terminals for floors immediate below a roof.
- (b) Flex duct shall be insulated.
- (c) No insulation on return or exhaust ductwork except as required to attenuate noise.
- (d) All supply ductwork installed by the tenant must be insulated.

4. VAV terminals:

- (a) Fan powered series type.
- (b) Reheat on perimeter, cooling only interior. All perimeter VAV boxes are equipped with reheat capabilities.

- (c) Minimum one fan powered VAV per column bay for perimeter zones in office areas (considered to be within 12 feet of perimeter wall). Minimum one VAV per 1,000 s.f. for interior zones for offices and general office use. Total quantity of VAV terminals shall be no less than 1 per 700 rentable square feet for the Premises.
- 5. Diffusers/Return Air Grilles:
 - (a) Included in elevator floor lobbies, core corridors, core areas.
 - (b) Quantity and type (multi-directional air flow) as required for proper air distribution.
 - (c) Flex duct shall not be greater than eight foot (8') in length and no stovepipe extensions from branch duct are allowed.
 - (d) Supply diffusers must be for low temperature air.
- 6. Direct Digital Automatic Temperature Control (DDC) / Building Energy Management System, including:
 - (a) Thermostats/sensors with control wiring for each VAV terminal installed and calibrated in partitions according to Tenant's final approved construction documents.
 - (b) DDC control and status of all equipment.
 - (c) Certified air & water balance for entire base building/core HVAC system.
 - (d) Tie-ins of all Landlord provided devices to the base building BAS/EMS system. For Tenant's supplemental devices (excluding VAV's) Tenant and Landlord shall agree upon a reasonable competitive market unit price for tie-in charges in advance if Tenant is required to use Landlord's contractor for tie-ins.
- 7. Motors/Pumps:
 - (a) Variable speed/frequency drives on motors, fans and pumps for energy efficiency.

ELECTRICAL

- 1. Distribution:
 - (a) Typical floor electrical closets:
 - 1. Six (6) watts per square foot available in electrical closet for tenant lighting (2 watts/psf) and power (4 watts/sf).
 - 2. A minimum of one (1) electrical closet per floor. Landlord shall remove electrical panelboards from stairwells, as required by code.
 - 3. 480/277v lighting panelboards fully populated with circuit breakers (specified circuits and spares).
 - 4. 120/208v receptacle panelboards, fully populated with circuit breakers (specified circuits and spares).
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 - 5. Emergency power panelboards, circuits, risers and connections for lights, security, and fire alarm system.
 - (b) Mechanical system electrical loads, including VAV's and heaters, separated from lighting and receptacle loads.
 - (c) Underslab insulation for space immediately above non-conditioned space (e.g., 1st floor above garage).

2. Emergency white circuits/lighting and emergency exit lights as required in all PUBLIC spaces.
3. All light fixtures (functional, decorative) shall be included for all elevator lobbies, restrooms, core and core corridor areas, and exterior of building as applicable.
4. Fire Alarm Supervision, Detection & Annunciation System.
 - (a) A complete system as required for type of building construction and in accordance with code. Complete addressable detection and alarm system shall include, but not be limited to, fire alarm control panel, fire annunciator panel, fire alarm terminal cabinets & risers, power boost signal amplification modules, voltage transformers and interconnections to all key devices or equipment, including but not limited to, such items as elevator recall, sprinkler flow and tamper switches, emergency generator, fire pump, HVAC equipment, smoke evacuation system and monitoring devices and service.
 - (b) Include all required speakers, smoke detectors, duct detectors, heat detectors, pull stations, strobe lights, audible devices and other devices in the parking garage, elevator lobbies, elevator shafts, entrance foyers, common areas, restrooms, core and core corridor areas. System capacity (amplification, inputs, etc.) shall be adequate for addition of tenant area devices without system supplementation or upgrade.
 - (c) Tie-ins of all Landlord provided base building fire alarm detection and notification/annunciation devices to the base building fire alarm/control system. For fire alarm devices in Tenant's Demised Premises, Tenant and Landlord shall agree upon a reasonable competitive market unit price for tie-in charges in advance, if Tenant is required to use Landlord's contractor for tie-ins.
5. In the event of a power failure, the emergency generator will supply power to the base building life safety systems (which includes fire alarm system, fire pump, security system, emergency elevator operation and emergency lighting).
6. Communications/Data:
 - (a) Four (4) 4" sleeves through each floor of the Building in base building core telephone closets.
 - (b) Backboards as required.

SCHEDULE II

Outline Specifications for Base Building

SHEET LIST										(S MASS, AVE, NW)										SHEET NO.										SHEET DATE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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SPECIFICATION UPDATE LIST REPUBLIC SQUARE 25 MASSACHUSETTS AVE. (PHASE I)	
SPEC. SECTION #	DATE OF UPDATES
TABLE OF CONTENT	BULLETIN NO.2 (08-16-05)
3300	BULLETIN NO.4 (11-08-05)
3450	ADDENDUM NO.2 (05-19-04)
4800	ADDENDUM NO.2 (05-19-04)
5500	BULLETIN NO. 4 (11-08-05)
5700	BULLETIN NO.4 (11-08-05)
5710	BULLETIN NO.4 (11-08-05)
7130	BULLETIN NO1. (08-09-04)
7900	BULLETIN NO1. (08-09-04)
8200	ADDENDUM NO.2 (05-19-04)
8710	BULLETIN NO.4 (11-08-05)
8910	BULLETIN NO.4 (11-08-05)
9900	BULLETIN NO.1 (08-09-04)
10200	BULLETIN NO.2 (08-16-05)
14210	BULLETIN NO.4 (11-08-05)
14240	BULLETIN NO.4 (11-08-05)
14325	ADDENDUM NO.1 (05-07-04)
NOTE: ALL OTHER SECTIONS THAT ARE NOT INCLUDED IN THIS LIST ARE ISSUED WITH BID SET ON 04-14-04 AND HAVE NOT CHANGED.	

Republic Square - Phase 1
Specification Sections

<u>Description:</u>	<u>Date:</u>
00000E - Phase I Environmental Site Assessment	05/06/2004
00000P - Storm Water Pollution Prevention Plan	05/17/2004
00000S - Preliminary Subsurface Investigation and Geotechnical Engine	06/01/2001
01010M - Summary of Work 25 Massachusetts Ave., NW (Phase I)	04/14/2004
01020 - Allowances	04/14/2004
01040 - Coordination	04/14/2004
01100 - Alternates	04/14/2004
01202 - Progress Meetings	04/14/2004
01300 - Submittals	04/14/2004
01320 - Construction Progress Documentation	04/14/2004
01400 - Quality Requirements	04/14/2004
01410 - Testing and Inspection	04/14/2004
01420 - References	04/14/2004
01500 - Construction Facilities and Temporary Controls	04/14/2004
01570 - Traffic Regulation	04/14/2004
01600 - Materials and Equipment	04/14/2004
01700 - Execution Requirements	04/14/2004
01730 - Operating and Maintenance Data	04/14/2004
01731 - Cutting and Patching	04/14/2004
01770 - Closeout Procedures	04/14/2004
02230 - Site Clearing	04/14/2004
02240 - Dewatering	04/14/2004
02260 - Excavation Support and Protection	04/14/2004
02300 - Earthwork	04/14/2004
02345 - Lightweight Planting Soil	04/14/2004
02510 - Water Distribution	04/14/2004
02530 - Sanitary Sewerage	04/14/2004
02620 - Foundation and Underslab Drainage System	04/14/2004
02630 - Storm Drainage	04/14/2004
02751 - Cement Concrete Pavement	04/14/2004
02764 - Pavement Joint Sealants	04/14/2004
02780 - Unit Pavers	04/14/2004
02810 - Irrigation System	04/14/2004
02820 - Chain Link Fencing	04/14/2004
02870 - Site Furnishings	04/14/2004
02920 - Lawns and Grasses	04/14/2004
02930 - Exterior Plants	04/14/2004
03300 - Cast-In-Place Concrete	11/08/2004
03450 - Architectural Pre-Cast Concrete	05/19/2004
04400 - Exterior Stone Cladding	04/14/2004
04401 - Interior Stone Cladding	04/14/2004
04800 - Unit Masonry	05/19/2004
05400 - Cold Formed Metal Framing	04/14/2004
05500 - Miscellaneous Metals	11/08/2004

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09660 - Resilient Tile Flooring	04/14/2004
09681 - Carpet	09/15/2005
09900 - Painting and Finishing	08/09/2005
09960 - Vinyl Wallcovering	04/14/2004
10160 - Ceiling Mounted Toilet Partitions	04/14/2004
10200 - Aluminum Louvers	08/16/2004
10448 - Interior Modular Signs - Infinity Series	04/27/2004
10500 - Lockers	04/14/2004
10522 - Fire Extinguishers and Cabinets	04/14/2004
10800 - Toilet Accessories	04/14/2004
11010 - Window Washing System	04/14/2004
12510 - Horizontal Louver Blinds	04/14/2004
14210 - Electric Traction Elevators	11/08/2004
14240 - Hydraulic Elevators	11/08/2004
15000 - Mechanical General Provisions	04/14/2004

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Republic Square - Phase 1
Specification Sections

<u>Description:</u>	<u>Date:</u>
15060 - Pipe, Tubing, and Fittings	04/14/2004
15065 - HVAC Drain and Vent Piping	04/14/2004
15070 - Fuel Oil Piping and Equipment	04/14/2004
15080 - Piping Specialties	04/14/2004
15090 - Supports, Anchors and Seals	04/14/2004
15100 - Valves	04/14/2004
15140 - Pumps (HVAC)	04/14/2004
15141 - Variable Frequency Drives	04/14/2004
15160 - Expansion Compensation	04/14/2004
15170 - Meters and Gauges	04/14/2004
15210 - Vibration Isolation	04/14/2004
15250 - Mechanical Insulation	04/14/2004
15300 - Fire Protection Systems	08/09/2005
15400 - Soil and Waste, Storm Water and Potable Water Systems	04/14/2004
15440 - Plumbing Fixtures and Trim	04/14/2004
15450 - Plumbing Equipment	04/14/2004
15488 - Natural Gas Piping Systems	04/14/2004
15651 - Refrigeration Piping Systems	04/14/2004
15652 - Condenser Water Piping Systems	04/14/2004
15653 - Hydronic Specialties	04/14/2004
15660 - Centrifugal Chillers - Water Cooled	04/14/2004
15682 - Factory-Fabricated Cooling Towers	04/14/2004
15704 - Chilled Water Piping Systems	04/14/2004
15730 - Heat Exchangers	04/14/2004
15741 - Heating Terminals (Electric)	04/14/2004
15742 - Terminal Units VAV	04/14/2004
15751 - Electric Heating Coils	04/14/2004
15764 - Custom Air Handling Units	04/14/2004
15770 - Self-Contained A/C Units (Constant Volume)	04/14/2004
15772 - Air Cooled Split System Heat Pump Units	04/14/2004
15820 - Air Distribution Equipment	04/14/2004
15841 - Low Pressure Ductwork	04/14/2004
15842 - High Pressure Ductwork	04/14/2004
15860 - Duct Accessories	04/14/2004
15870 - Outlets and Inlets	04/14/2004
15880 - Air Filters	04/14/2004
15920M - Automatic Control Sequences	04/15/2005
15921 - Environmental Management and Control System (EMCS) Direct	04/15/2005
15960 - Cleaning, Flushing and Water Treatment	04/14/2004
15980 - Testing, Adjusting and Balancing	04/14/2004
15995 - Commissioning of HVAC System	04/14/2004
16010 - Basic Electrical Requirements	04/14/2004
16075 - Electrical Identification	04/14/2004
16110 - Raceway	04/14/2004

3 of 4

Republic Square - Phase 1
Specification Sections

Description:

16119 - Underground Ducts and Utility Structures
16120 - Wires and Cables
16130 - Boxes
16140 - Wiring Devices
16190 - Supporting Devices
16231 - Standby Diesel Generator
16415 - Automatic Transfer Switches
16425 - Switchboards
16450 - Busway
16452 - Grounding
16460 - Dry Type Transformers
16470 - Panelboards
16475 - Fuses
16476 - Disconnect Switches and Circuit Breakers
16481 - Motor Starters
16482 - Motor Control Center
16511 - Interior Lighting
16530 - Lighting Control Devices
16670 - Lightning Protection System
16722 - Voice Fire Alarm and Detection Systems
16856 - Slab Warming System

Date:

04/14/2004
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EXHIBIT B

SCHEDULE III

Construction Management Services Provided by Landlord

1. Tenant Construction

- Host the preconstruction meeting with the contractor and tenant representative(s).
- Issue the notice to proceed to the GC (if required).
- Make weekly progress inspections at the site.
- Coordinate the phasing of the work with the tenant, contractor (if required).
- Monitor construction progress.
- Monitor schedule compliance.
- Monitor construction quality.
- Receive and validate contractor change requests (if required).
- Receive and validate contractor applications for payment and tenant draw requests.
- Assist in the project closeout with the general contractor.

2. Overall Administration

- Review and validate the overall project schedule.
- Serve as the point of contact for all issues related to construction.
- Receive and validate invoices and change requests for suppliers, consultants, and general contractor.
- Make and review regular draw requests for expenditures under the tenant allowance agreement (if applicable).
- Assist in the financial close out of the project.

EXHIBIT B

SCHEDULE IV

TENANT'S SPACE PLAN

[to be attached following approval by Landlord and Tenant]

EXHIBIT C

RULES AND REGULATIONS

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of _____, 2006 (the "Lease"), by and between **25 MASSACHUSETTS AVENUE PROPERTY LLC**, a Delaware limited liability company ("Landlord"), and **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation ("Tenant").

The following rules and regulations have been formulated for the safety and well-being of all tenants of the Building. Strict adherence to these rules and regulations is necessary to guarantee that every tenant will enjoy a safe and undisturbed occupancy of its premises. Any violation of these rules and regulations by Tenant shall constitute a default by Tenant under the Lease.

A. ALL TENANTS.

The following rules shall be applicable to all tenants of the Building:

1. Tenant shall not obstruct or encumber or use for any purpose other than ingress and egress to and from the Premises any sidewalk, entrance, passage, court, elevator, vestibule, stairway, corridor, hall or other part of the Building not exclusively occupied by Tenant. No bottles, parcels or other articles shall be placed, kept or displayed on window ledges, in windows or in corridors, stairways or other public parts of the Building. Tenant shall not place any showcase, mat or other article outside the Premises. Tenant shall keep all portions of the Premises which are visible from public parts of the Building in a tasteful, neat and orderly condition characteristic of first-class professional offices, so as not to be offensive to other tenants of the Building. No desks, bookcases, file cabinets and other furniture shall be placed against exterior windows.
2. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. Tenant shall not permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators and other public portions or facilities of the Building by other tenants. Tenant shall coordinate in advance with Landlord's property management department all deliveries to the Building so that arrangements can be made to minimize such interference. Tenant shall not permit its employees and invitees to congregate in the elevator lobbies or corridors of the Building. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate to prevent the same. Public corridor doors, when not in use, shall be kept closed. Nothing, including mats and trash, shall be placed, swept or thrown into the corridors, halls, elevator shafts, stairways or other public or common areas.
3. Tenant shall not attach, hang or use in connection with any window or door of the Premises any drape, blind, shade or screen, without Landlord's prior written consent. All awnings, drapes projections, curtains, blinds, shades, screens and other fixtures shall be of a quality, type, design and color, and shall be attached in a manner, approved in writing by Landlord. Any Tenant-supplied window treatments shall be installed behind Landlord's standard window treatments so that Landlord's standard window treatments will be what is visible to persons outside the Building. Drapes (whether installed by Landlord or Tenant) which are visible from the exterior of the Building shall be cleaned by Tenant at least once a year, without notice from Landlord, at Tenant's own expense.
4. Tenant shall not use the water fountains, water and wash closets, and plumbing and other fixtures for any purpose other than those for which they were constructed, and Tenant shall not place any debris, rubbish, rag or other substance therein (including, without limitation, coffee grounds). All damages from misuse of fixtures shall be borne by the tenant causing same.
5. Tenant shall not construct, maintain, use or operate within the Premises any electrical device, wiring or apparatus in connection with a loudspeaker system (other than an ordinary telephone and paging system) or other sound system, in connection with any excessively bright, changing, flashing, flickering or moving light or lighting device, or in connection with any similar device or system, without Landlord's prior written consent. Tenant

shall not construct, maintain, use or operate any such device or system outside of its Premises or within such Premises so that the same can be heard or seen from outside the Premises. No flashing, neon or search lights shall be used which can be seen outside the Premises. Only warm white lamps may be used in any fixture that may be visible from outside the Building or Premises. Tenant shall not maintain, use or operate within the Premises any space heater.

6. Tenant shall not bring any bicycle, vehicle, animal, bird or pet of any kind into the Building, except seeing-eye or hearing-ear dogs for handicapped persons visiting the Premises. Except while loading and unloading vehicles, there shall be no parking of vehicles or other obstructions placed in the loading dock area. Notwithstanding the foregoing, bicycles shall be permitted in the portion of the parking facility where bicycle storage racks have been installed (which, as of the date of this Lease, shall be installed on the first (1st) level of the parking facility adjacent to the parking facility operator's office).

7. Except as specifically provided to the contrary in the Lease, Tenant shall not cook or permit any cooking on the Premises, except for microwave cooking and use of coffee machines by Tenant's employees for their own consumption. Tenant shall not cause or permit any unusual or objectionable odor to be produced upon or emanate from the Premises.

8. Tenant shall not make any unseemly or disturbing noise or disturb or interfere with occupants of the Building, whether by the use of any musical instrument, radio, talking machine or in any other way.

9. Tenant shall not place on any floor a load exceeding the floor load per square foot which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy equipment and fixtures. Landlord shall have the right to repair at Tenant's expense any damage to the Premises or the Building caused by Tenant's moving property into or out of the Premises or due to the same being in or upon the Premises or to require Tenant to do the same. Tenant shall not receive into the Building or carry in the elevators any safes, freight, furniture, equipment or bulky item except as approved by Landlord, and any such furniture, equipment and bulky item shall be delivered only through the designated delivery entrance of the Building and the designated freight elevator at designated times. Tenant shall remove promptly from any sidewalk adjacent to the Building any furniture, furnishing, equipment or other material there delivered or deposited for Tenant. Landlord reserves the right to inspect all freight to be brought into the Building, except for government classified and confidential client materials, and to exclude from the Building all freight which violates any of these rules or the Lease.

10. Tenant shall not place additional locks or bolts of any kind on any of the doors or windows, and shall not make any change in any existing lock or locking mechanism therein, without Landlord's prior written approval. At all times Tenant shall provide Landlord with a "master" key for all locks on all doors and windows. Tenant shall keep doors leading to a corridor or main hall closed at all times except as such doors may be used for ingress or egress and shall lock such doors during all times the Premises are unattended. Tenant shall, upon the termination of its tenancy: (a) restore to Landlord all keys and security cards to stores, offices, storage rooms, toilet rooms, the Building and the Premises which were either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay the replacement cost thereof; and (b) inform Landlord of the combination of any lock, safe and vault in the Premises. At Landlord's request, Landlord's then customary charge per key shall be paid for all keys in excess of two (2) of each type. Tenant's key system shall be consistent with Yale locksets used throughout the rest of the Building.

11. Except as shown in the Final Construction Drawings, Tenant shall not install or operate in the Premises any electrically operated equipment or machinery (other than standard servers, desk-top office equipment, including, without limitation, desk-top computers and copiers, typewriters, facsimile machines, printers or other similar equipment used in connection with standard office operations) without obtaining the prior written consent of Landlord. Landlord may condition such consent upon Tenant's payment of additional rent in compensation for the excess consumption of electricity or other utilities and for the cost of any additional wiring or apparatus that may be occasioned by the operation of such equipment or machinery. Landlord shall have the right at any time and from time to time to designate the electric service providers for the Building. Tenant shall cooperate with Landlord and such service providers and

shall allow, as reasonably necessary, access to the Building's electric lines, feeders, risers, wiring and any other Building machinery. Tenant shall not install any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or changes in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without obtaining Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. If any machine or equipment of Tenant causes noise or vibration that may be transmitted to such a degree as to be objectionable to Landlord or any tenant in the Building, then Landlord shall have the right to install at Tenant's expense vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord or to require Tenant to do the same.

12. All telephone and telecommunications services desired by Tenant shall be ordered by and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's telecommunications equipment shall be and remain solely in the Premises and the telephone closet(s) designated by Landlord. Landlord shall have no responsibility for the maintenance of Tenant's telecommunications equipment (including wiring) nor for any wiring or other infrastructure to which Tenant's telecommunications equipment may be connected. Landlord shall have the right, upon reasonable prior notice to Tenant (except in the event of an emergency), to interrupt telecommunications facilities as necessary in connection with any repairs or with installation of other telecommunications equipment. Subject to the provisions of the Lease, Tenant shall not utilize any wireless communications equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, at the Premises or the Building, without Landlord's prior written consent, which may be granted or withheld in Landlord's sole and absolute discretion.

13. No telephone, telecommunications or other similar provider whose equipment is not then servicing the Building shall be permitted to install its lines or other equipment within or about the Building without first securing the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, any warranty or representation as to the suitability, competence, or financial strength of the provider. Without limitation of the foregoing standards, as specific conditions of any consent: (i) Landlord shall incur no expense whatsoever with respect to any aspect of the provider's provision of its services (including, without limitation, the costs of installation, materials and services); (ii) prior to commencement of any work in or about the Building by the provider, the provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines and Landlord shall have reasonably determined that there is sufficient space in the Building for the placement of the necessary equipment and materials; (iii) the provider agrees to abide by such rules and regulations, building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary; (iv) the provider shall agree to use existing building conduits and pipes or use building contractors (or other contractors approved by Landlord); (v) the provider shall pay Landlord such compensation as is reasonably determined by Landlord to compensate it for space used in the building for the storage and maintenance of the provider's equipment, the fair market value of a provider's access to the Building, and the costs which may reasonably be expected to be incurred by Landlord; (vi) the provider shall agree to deliver to Landlord detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (vii) all of the foregoing matters shall be documented in a written agreement between Landlord and the provider on Landlord's standard form and otherwise reasonably satisfactory to Landlord.

14. Landlord reserves the right to exclude from the Building at all times any person who does not properly identify himself to the Building management or attendant on duty. Landlord shall have the right to exclude any undesirable or disorderly persons from the Building at any time. Landlord may require all persons admitted to or leaving the Building to show satisfactory identification and to sign a register. Tenant shall be responsible for all persons for whom it authorizes entry into the Building and shall be liable to Landlord for all acts of such persons. Landlord has the right to evacuate the Building in the event of emergency or catastrophe or for the purpose of holding a reasonable number of fire drills.

15. Tenant shall not permit or encourage any loitering in or about the Premises and shall not use or permit the use of the Premises for lodging, dwelling or sleeping.

16. Tenant, before closing and leaving the Premises at the end of each business day, shall see that all lights and equipment are turned off, including, without limitation, coffee machines.

17. Tenant shall not request Landlord's employees to perform any work or do anything outside of such employees' regular duties without Landlord's prior written consent. Tenant's special requirements will be attended to only upon application to Landlord, and any such special requirements shall be billed to Tenant in accordance with the schedule of charges maintained by Landlord from time to time or as is agreed upon in writing in advance by Landlord and Tenant. Tenant shall not employ any of Landlord's employees for any purpose whatsoever without Landlord's prior written consent. Tenant shall notify Landlord or the Building manager of any person employed by it to do janitorial work within the Premises, except for full-time employees of Tenant, prior to such person's commencing work, and such person shall, while in the Building and outside of the Premises, comply with all instructions issued by Landlord or its representatives.

18. There shall not be used in any space, or in the public halls of the Building, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Tenant shall be responsible for any loss or damage resulting from any deliveries made by or for Tenant.

19. No boring or cutting for wires or stringing of wires will be allowed without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

20. Tenant acknowledges that it is Landlord's intention that the Building be operated in a manner which is consistent with the highest standards of cleanliness, decency and morals in the community which it serves. Toward that end, Tenant shall not sell, distribute, display or offer for sale any item which, in Landlord's judgment, is inconsistent with the quality of operation of the Building or may tend to impose or detract from the moral character or image of the Building. Tenant shall not use the Premises for any immoral or illegal purpose. Tenant shall cooperate with Building employees in keeping the Premises neat and clean.

21. Unless otherwise expressly provided in the Lease, Tenant shall not use, occupy or permit any portion of the Premises to be used or occupied for the storage, manufacture, or sale of liquor.

22. Tenant shall purchase or contract for waxing, rug shampooing, venetian blind washing, interior glass washing, furniture polishing, janitorial work, removal of any garbage from any dining or eating facility or for towel service in the Premises, only from contractors, companies or persons approved by Landlord.

23. Tenant shall not remove, alter or replace the ceiling light diffusers, ceiling tiles or air diffusers in any portion of the Premises without the prior written consent of Landlord.

24. Tenant shall not purchase water, ice, coffee, soft drinks, towels, or other merchandise or services from any company or person whose repeated violation of Building regulations has caused, in Landlord's opinion, a hazard or nuisance to the Building and/or its occupants.

25. Tenant shall not pay any employee on the Premises except those actually employed therein; nor shall Tenant use the Premises as headquarters for large scale employment of workers for other locations.

26. Landlord shall have the right, upon written notice to Tenant, to require Tenant to refrain from or discontinue any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability for offices.

27. Tenant shall not in any manner deface any part of the Premises or the Building. Other than ordinary office decorations, no stringing of wires, boring or cutting shall be permitted except with Landlord's prior written consent. Any floor covering installed by Tenant shall have an under layer of felt rubber, or similar sounddeadening substance, which shall not be affixed to the floor by cement or any other non-soluble adhesive materials.

28. Should Tenant's use and occupancy of the Premises require the installation of supplemental cooling, and should the Building contain a closed loop, Tenant agrees that its supplemental cooling requirements will be serviced by tapping into the Building's closed loop. Tenant shall be responsible for the cost of connecting into the loop and agrees to pay to Landlord as additional rent the monthly tap fee in accordance with Landlord's then-current rate schedule. Should the Building not contain a closed loop, Tenant agrees to be responsible for fees associated with placing equipment on the roof of the Building.

29. Tenant shall handle its newspapers, "office paper," garbage, trash and other waste products in the manner required by applicable law (as the same may be amended from time to time) whether required of Landlord or otherwise and shall conform with any recycling plan instituted by Landlord. Landlord shall have no obligation to accept any waste that is not prepared for collection in accordance with any such requirements. Landlord reserves the right to require Tenant to arrange for waste collection, at Tenant's sole cost and expense, utilizing a contractor reasonably satisfactory to Landlord, and to require Tenant to pay all costs, expenses, fines, penalties, or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with any such requirements. If Tenant is unable to comply with Landlord's standard procedures regarding the internal collection, sorting, separation and recycling of waste, then, upon reasonable advance notice to Landlord, Landlord shall use reasonable efforts to arrange for alternative procedures for Tenant, provided Tenant shall pay Landlord all additional costs incurred by Landlord with respect thereto.

30. Tenant shall not bring or keep, or permit to be brought or kept, in the Building any weapon or flammable, combustible or explosive fluid, chemical or substance, except as otherwise expressly permitted in the Lease.

31. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, terraces, loading docks, plaza areas, and other common areas.

32. All wiring and cabling installed by Tenant shall be marked and coded, in a manner reasonably acceptable to Landlord, to identify such facilities as belonging to Tenant and the point of commencement and termination of such facilities. All such cabling and wiring shall, at Landlord's request, be removed by Tenant upon the expiration or termination of the Lease if required by the terms of the Lease or if applicable governmental agencies require removal of such facilities upon the termination of their use or abandonment.

33. Landlord may, upon request of Tenant, waive Tenant's compliance with any of the rules, provided that (a) no waiver shall be effective unless signed by Landlord, (b) no waiver shall relieve Tenant from the obligation to comply with such rule in the future unless otherwise agreed in writing by Landlord, (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with these rules and regulations, and (d) no waiver shall relieve Tenant from any liability for any loss or damage resulting from Tenant's failure to comply with any rule. Landlord reserves the right to rescind any of these rules and make such other and further rules as in the judgment of Landlord shall from time to time be needed for the safety, protection, care, and cleanliness of the Building, the operation thereof, the preservation of good order therein, and the protection and comfort of its tenants, their agents, employees, and invitees, which rules when made and notice thereof given to a tenant shall be binding upon it in like manner as if originally herein prescribed. In the event of any conflict or inconsistency between the terms and provisions of these rules, as now or hereafter in effect, and the terms and provision of the Lease, the terms and provision of the Lease shall prevail.

B. RETAIL TENANTS ONLY.

The following rules shall be applicable to retail tenants only:

1. Tenant shall replace promptly any cracked or broken glass in the Premises (including without limitation all windows, display cases, countertops and doors) with glass of like color, kind and quality.

2. Tenant shall not operate its business in a manner which is commonly known as a "discount house", "wholesale house", "cut-rate store", or "outlet store". The Premises shall not be used for conducting any barter, trade, or exchange of goods, or sale through promotional

give-away gimmicks, or any business involving the sale of second-hand goods, insurance salvage stock or fire sale stock, and shall not be used for any auction or pawnshop business, any fire sale, bankruptcy sale, going-out-of-business sale, moving sale, bulk sale or any other business which, because of merchandising methods or otherwise, would tend to lower the first-class character of the Building.

3. Tenant shall not receive or ship articles of any kind outside the designated loading area for the Premises or other than during the designated loading times.

4. Tenant shall keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises; deposit daily such garbage, trash, rubbish and refuse in receptacles designated by Landlord; and enclose and/or shield such receptacles in a manner approved by Landlord.

5. Tenant shall not sell, display or offer for sale any roach clip, water pipe, bong, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia which in Landlord's opinion are commonly used in connection with illegal drugs, or any pornographic, lewd, suggestive or "adult" newspaper, book, magazine, film, picture or merchandise of any kind.

6. Tenant shall not install burglar bars in or to the Premises without Landlord's prior approval and if requested to do so by Landlord, install a locking system compatible with the locking system being used by Landlord at the Building.

EXHIBIT D

CERTIFICATE AFFIRMING THE LEASE COMMENCEMENT DATE

This Certificate is being provided pursuant to that certain Office Lease Agreement dated as of _____, 2006 (the "Lease"), by and between **25 MASSACHUSETTS AVENUE PROPERTY LLC**, a Delaware limited liability company ("Landlord"), and **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation ("Tenant"). The parties to the Lease desire to confirm the following:

1. The Lease Commencement Date is _____, 200__.
2. The initial Lease Term shall expire on _____.
3. Tenant shall exercise its right of renewal with respect to the Renewal Term by giving Landlord written notice thereof not earlier than _____ and not later than _____.

Attached to this Certificate is evidence of payment of premiums for all insurance required pursuant to the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Certificate under seal on _____, 200__.

WITNESS/ATTEST:

LANDLORD:

**25 MASSACHUSETTS AVENUE
PROPERTY LLC**

By: _____ [SEAL]
Name: Steven A. Grigg
Title: President

WITNESS/ATTEST:

TENANT:

**NATIONAL ASSOCIATION OF
COUNTIES**

By: _____ [SEAL]
Name: _____
Title: _____
Name: _____
Title: _____

EXHIBIT E

EXERCISE FACILITY CONSENT AND WAIVER OF LIABILITY

Republic Square I
25 Massachusetts Avenue, N.W.
Washington, D.C. 20001-1431

In order to use the fitness facilities and equipment located at 25 Massachusetts Avenue, N.W., Washington, DC 20001-1431 (the "Building") (including, without limitation, the outside basketball court and outside tennis court constructed on the Land and/or the land adjacent to the Building pursuant to agreements between Landlord and the owners of the land adjacent to the Building), I hereby certify, covenant, and agree as follows:

1. I am in good physical condition and able to use the facilities and equipment and to participate in any and all exercise and fitness activities available or to be available. I have a reasonable basis for this opinion due to examination and/or consultation with my physician. I fully recognize that I am responsible for knowledge of my own state of health at all times.

2. I will do all exercise and participate in all activities at my own pace and at my own risk. I will use good judgment while exercising, will not overexert, and will follow any instructions concerning exercise procedures. If I have any questions regarding my workout, I will consult a trained professional.

3. I acknowledge that the fitness facility is unstaffed. I understand and acknowledge that neither the owner of the Building ("Owner"), nor the property management company ("Manager"), nor any of their agents, advisors or employees, represents that its employees, personnel or agents have expertise in diagnosing, examining or treating medical conditions of any kind or in determining the effect of any specific exercise on such medical condition.

4. I understand that in participating in one or more exercises or fitness activities at the facility, or in use of the equipment or the facility in any way, there is a possibility of accidental or other physical injury or loss of my personal property. I agree to assume that risk of any such accident or injury or loss of property. I hereby release and discharge Owner and Manager, their respective officers, agents, employees, personnel, partners, directors, shareholders, affiliates and other representatives, and their successors and assigns (collectively, the "Released Parties"), from any and all liability, harm and damage, and waive any and all claims whatsoever, for any injury, accident or loss in connection with my use of or entry into the facility. In addition, I hereby agree to defend, indemnify and hold harmless the Released Parties from any and all costs, claims, liability, harm, damage or expenses resulting from my use of or entry into the facility or the equipment.

5. I acknowledge that I have received and read a copy of the current Rules and Regulations governing the use of the fitness center (a copy of which is attached hereto). I agree that I will fully comply with all rules and regulations as they are amended from time to time.

USER:

Employer Name:

Employee Name (Please Print):

Suite Number

Signature

Telephone

Date

Access Key Number: _____

FITNESS FACILITY RULES AND REGULATIONS

The following Rules and Regulations are intended to make the Fitness Facility ("Facility") at 25 Massachusetts Avenue, N.W., Washington, DC 20001-1431, as safe, enjoyable and pleasant as possible for all users of the Facility ("Users"). These Rules are applicable to all Users and may be changed from time to time by 25 MASSACHUSETTS AVENUE PROPERTY LLC, a Delaware limited liability company ("Landlord"), or its managing agent ("Building Manager"), in order to provide for the safe, orderly and enjoyable use of the Facility's facilities and equipment.

1. Use. Users shall use the Fitness Facility and related equipment solely for weight and cardiovascular training on the equipment provided and shall use the Court Facilities solely for playing basketball and tennis, as applicable. Users shall not misuse or use the facilities and related equipment in any manner which will damage the same. Users shall not install, nor tamper with or remove, any equipment in the Facility. No person may use the Facility unless he or she has signed a Waiver of Liability. This Facility is open to tenants only. Guests are not authorized to use the Facility and users shall not grant access to the Facility, nor permit the Facility to be used, by any unauthorized persons. Any User that provides an unauthorized person with access to the Facility will be prohibited from using the Facility. Each User acknowledges that he or she shall exercise caution when using the Facility, that the Facility is unstaffed, and that no security is provided by Landlord. Any suspicious activity should be reported to the Building Manager.

2. Hours of Operation. The Facility is open twenty-four hours per day, seven days per week, except for legal holidays. However, in order to accommodate thorough cleaning of the Facility, access to certain areas of the Facility may be limited during cleaning hours, which are currently from 6 p.m. to 9 p.m., Monday through Friday. The Facility will not be open for use on legal public holidays. The Facility may be closed, and its hours of operation modified from time-to-time, at Landlord's sole discretion. Tenants will be notified at least 24 hours in advance of any closing, unless such closing is due to emergency.

3. Clothing. The minimum attire at the facility shall be gym shorts, tee shirts, socks and tennis shoes. Any conventional exercise attire is permissible, including leotards and tights, warm-up suits, etc. Sneakers, tennis shoes, or similar footwear must be worn at all times. Users of the Facility must wear clean and appropriate attire when in transit to and from the Facility, which may include, but not be limited to, warm-up suits and sweatsuits.

4. Conduct. Any conduct which unreasonably interferes with the use or enjoyment of Facility or the equipment by others, or disrupts or interferes with the normal, safe, orderly and efficient operation of the Facility or the equipment, is strictly prohibited. Radios, tape recorders or other similar personal audio equipment may not be used without headphones. No Tenant shall make, or permit to be made, any disturbing noises or disturb or interfere with the occupants of the Building or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, tape recorder, loud speaker or other sound system. After a User completes its use of a piece of equipment within the Facility, such User shall wipe that piece of equipment with disinfectant solution provided by the Building Manager. Those in violation of these rules will be subject to immediate expulsion.

5. Smoking. Smoking of any kind or any other consumption of tobacco products is strictly prohibited in the Facility.

6. Solicitations and Petitions. Solicitation for the sale of any product or service, or for charitable contributions, and petitions of any kind, are strictly prohibited.

7. Identification. Upon request by Landlord's employee or personnel, users must present their key for identification purposes. Neither Landlord or the Building Manager assumes responsibility for lost or stolen keys.

8. Food and Beverages Prohibited. No food or beverages (other than water or sports drinks in containers with lids) shall be brought to the Facility. All food and other beverages are strictly prohibited.

9. Notices, Complaints or Suggestions. Users must immediately notify Landlord or Building Manager in the event that they discover any unsafe or hazardous defect or condition relating to the Facility or the equipment, or any more than de minimis breakage, fire, or disorder at the Facility. Complaints or suggestions as to the operation, maintenance, services, or equipment at the Facility should be directed to Building Manager.

10. Other Facilities. Landlord or Building Manager may prohibit the use of or close the Facility if misused in any way. Landlord and Building Manager take no responsibility for personal possessions left in the Facility. Locks or lockers are permissible, but all articles and locks must be removed when the user leaves the Facility. Landlord and Building Manager reserve the right to remove and dispose of any locks and personal possessions remaining in the Facility when it closes each day. Landlord and Building Manager make no representation or warranty that the use of any locker will protect User's personal property from damage, loss or theft.

11. Violation of Rules. Repeated failure or refusal to comply with these Rules and Regulations may result in the loss of privileges.

12. Maintenance. No member shall leave any litter, trash, debris, or articles of clothing at the Facility. The entry door(s) to the Facility shall be kept closed and locked at all times.

13. No Representations. User hereby acknowledges that the installation of equipment, devices and/or facilities in or serving the Facility shall in no way be deemed a representation or warranty by Operator regarding the efficacy or safety of the same, nor as an agreement or undertaking by, or obligation of, Operator to protect, indemnify or hold User harmless from any harm of any type or to ensure User's safety. It is expressly understood and agreed that use of the Facility by User shall be at User's sole risk.

14. Card Keys. User hereby agrees to keep any card key and/or locker key provided to User in User's possession and control at all times until required or requested to surrender the same, and in no event shall User lend or otherwise transfer its card key or locker key to any other person. In the event User shall lose or misplace its card key or locker key, or in the event User's card key or locker key shall be stolen, User shall immediately notify Landlord and Operator in writing. User further agrees that, in the event either (i) User's employment with Tenant is terminated for any reason, or (ii) Tenant shall be in default under its lease with Landlord, Operator may immediately de-activate User's key card and User shall immediately surrender its card key and locker key to Operator. User hereby acknowledges that the card key and locker key are and shall remain the property of Operator, and User agrees to return the same to Operator upon the expiration (or sooner termination) of Tenant's lease or any earlier date on which Operator is entitled to de-activate said card key. Inoperative (but not de-activated) cards keys will be replaced at no charge, but lost and de-activated card keys will be replaced (or reactivated, as the case may be) at a cost established by the Operator from time to time. Lost locker keys shall be replaced, and the appropriate locker re-keyed, at a cost established by the Operator from time to time.

15. Consent. As a condition to the use of the Facility, all Users must sign a Consent and Waiver on Landlord's current form.

EXHIBIT F

FORM SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT AGREEMENT

FORM OF SNDA

*Prepared by and
after Recording Return to:*

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement") made by and between NATIONAL ASSOCIATION OF COUNTIES ("Tenant"), CORUS BANK, N.A., ("Lender"), and 25 MASSACHUSETTS AVENUE PROPERTY LLC ("Landlord").

RECITALS:

A. By a certain Lease dated as of _____, 2006 (the "Lease"), Landlord, as lessor, demised and leased to Tenant, as lessee, certain Leased Premises (the "Leased Premises") which represents part of the improvements located or to be located on the land legally described on Exhibit A attached hereto and by this reference incorporated herein, upon the terms and conditions and for the rental, as more fully set forth in the Lease.

B. Landlord, by its Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement (the "Mortgage"), recorded in the _____, grants and conveys unto Lender, all of its right, title and interest in and to the Leased Premises to secure the payment of its Notes in the aggregate maximum principal amount of \$ _____ payable to Lender, with principal and interest payable as therein provided.

C. Lender, as a condition to making and continuing to make advances on the loan has required the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and to induce Lender to make said loan, the parties do hereby covenant and agree as follows:

1. The Lease and all rights and titles of Tenant thereunder are and shall be subject and subordinate to the lien of the Mortgage and to all renewals, modifications, consolidations, replacements, and extensions thereof, to the full extent of the principal sum secured thereby, interest thereon, and all other amounts and sums secured thereby subject to the terms and conditions stated herein. Tenant further waives all rights and claims to assert that the Lease or any provision thereof is superior to the lien of or to any other provision of the Mortgage or any renewal, increase, replacement, consolidation, modification or extension thereof.

2. Notwithstanding such subordination, Tenant agrees that any action by the Lender to enforce the Mortgage by reason of default thereunder will not terminate the Lease (unless Lender elects to terminate the Lease in the event of a default by Tenant which is not cured within any applicable cure period), or invalidate or constitute a breach of any of the terms thereof, nor give rise to any right of Tenant to terminate the Lease nor constitute a breach or invalidation of the Lease. If the Mortgage shall be foreclosed, or a voluntary conveyance in lieu of foreclosure shall be delivered, or a sale of the Leased Premises pursuant to the rights granted to Lender in the Mortgage, Tenant does hereby attorn to the successors and assigns of the Landlord (successors and assigns being herein defined to include the Lender, Lender's nominee, assignee and/or purchaser at any sale of the Leased Premises) provided Tenant's attornment shall be to such successor landlord upon the same terms, covenants and conditions as provided in the Lease and such successor landlord shall be deemed to have assumed all of the obligations of Landlord to Tenant set forth in the Lease, except as provided herein.

3. Tenant's attornment by these presents is effective and self-operative without the execution of any other instruments on the part of the parties hereto.

4. If the Lender (or any other party claiming by or through Lender) shall acquire title to the Property or shall succeed to Landlord's interest in the Lease, whether through foreclosure of the Mortgage, conveyance in lieu of foreclosure, or otherwise, Lender (or such other party) shall (a) not disturb Tenant's possession of the Leased Premises and all rights and titles of Tenant under the Lease and all amendments or modifications thereto approved in writing by Lender (the "Approved Modifications") shall continue in full force and effect in accordance with their terms and Lender (or such other party) shall recognize the Lease and the Approved Modifications provided Tenant is not in default in the payment of any sums due from Tenant under the Lease or performance of any material obligation of Tenant under the Lease (in either case beyond any period expressly given Tenant to cure such default); and (b) except as may be required or necessary under the terms of any applicable law or statute, not name Tenant in any action for foreclosure of the Mortgage. Lender (or such other party) shall thereupon, and without the necessity of further attornment or other act or agreement, be substituted as Tenant's landlord under the Lease, and shall be entitled to the rights and benefits and subject to the obligations thereof; provided that neither Lender nor any other party (other than Landlord) shall be (a) bound by or required to credit Tenant with any prepayment of the Base Rent or additional rent more than thirty (30) days in advance or any deposit, rental security or any other sums deposited with any prior landlord under the Lease (including Landlord) unless said sum is actually received by such transferee, (b) bound by any amendment, modification or termination of the Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for any breach, act or omission of any prior landlord under the Lease (including Landlord) or any damages arising therefrom except that Lender shall cure any continuing defaults other than defaults which are personal to the Landlord; (d) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), (e) [intentionally omitted], (f) liable for any late completion of any construction of the Premises or tenant improvement work to the Premises commenced or agreed to by any prior landlord under the Lease (including Landlord), (g) liable for payment of any damages, fees or penalties payable by any prior landlord under the Lease (including Landlord) to Tenant including but not limited to fees or penalties for failure to deliver the Premises in a timely fashion, or (h) bound by any obligation which may appear in the Lease to pay any sum of money to Tenant; provided, further however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising or continuing after the date of transfer other than obligations which are personal to the Landlord.

5. Tenant will deliver to Lender a copy of any notice of default served upon Landlord by Tenant.

6. Tenant agrees that from and after the date hereof in the event of any default under the Lease which would give Tenant the right, either immediately or after the lapse of a period of time, to terminate the Lease, to claim a partial or total eviction, or claim for abatement of rent or offset, notwithstanding any provision of the Lease to the contrary, Tenant will not exercise any such right (a) until it has given written notice of such default to Lender in accordance with Section 5 of this Agreement, and (b) until and unless Lender fails to remedy such act or omission within thirty (30) days after receipt of Tenant's notice, or in the case of any other act or omission which cannot reasonably be remedied within said thirty (30) day period, then Lender shall have as long as reasonably necessary to remedy such act or omission, provided that, (i) Lender commences such remedy and notifies Tenant within said 30 day period of Lender's desire to remedy, and (ii) Lender pursues completion of such remedy with due diligence following such giving of notice and following the time when Lender shall have become entitled under the Mortgage to remedy the same. It is specifically agreed that Tenant shall not, as to Lender, be entitled to require cure of any default which is personal to Landlord, and therefore not susceptible of cure by Lender, or which is specified in Section 4 of this Agreement, and that no such uncured default shall entitle Tenant to exercise any rights under the Lease with respect to Lender, including, without limitation any rights of set-off, off-set, rent abatement or termination, but that the Lease shall remain in full force and effect as between Lender and Tenant, except with respect to the provisions which are personal as to Landlord. Lender acknowledges that the

provisions of this paragraph 6 shall not affect any abatement of Base Rent to which Tenant is entitled pursuant to Section 4.3 of the Lease.

7. Tenant covenants and agrees as follows for the benefit and reliance of Lender:

(a) That it will not, without the express written consent of Lender: (i) cancel, terminate or surrender the Lease, except as expressly provided therein, and then only after Lender has failed to or unsuccessfully attempted to pursue its rights and remedies as provided herein; (ii) alter, amend or modify any material term of the Lease; (iii) enter into any agreement with Landlord, its successors or assigns, which grants any material concession with respect to the Lease or which reduces the rent called for thereunder; or (iv) consent to the release of any party having liability for the payment or performance of Tenant's obligations (whether directly, as surety or otherwise) under the Lease.

(b) That Tenant shall, except to the extent prohibited by law or legal proceedings, make rental payments under the Lease to Lender pursuant to and upon written demand by Lender, if such demand states that a default has occurred under the Mortgage, and Landlord agrees that any payments so made to Lender shall be deemed to have been made in accordance with and in satisfaction of Tenant's obligation to pay rent under the Lease.

8. Landlord and Tenant, hereby agree for the benefit and reliance of Lender, as follows:

(a) That neither this Agreement, the Mortgage, nor anything to the contrary in the Lease, prior to Lender's acquisition of Landlord's interest in and possession of the Leased Premises, operate to give rise to or create any responsibility or liability for the control, care, management or repair of the Leased Premises upon Lender, or impose responsibility for the carrying out by Lender of any of the covenants, terms and conditions of the Lease, nor shall said instruments operate to make Lender responsible or liable for any waste committed on the Leased Premises by any party whatsoever, or for dangerous or defective condition of the Leased Premises, or for any negligence in the management, upkeep, repair or control of said Leased Premises resulting in loss, injury or death to any lessee, licensee, invitee, guest, employee, agent or stranger. Notwithstanding anything to the contrary in the Lease, Lender, its successors and assigns or a purchaser under the terms of the Mortgage, shall, subject to the terms of this Agreement, be responsible for performance of only those covenants and obligations of the Lease accruing after Lender's acquisition of Lessor's interest in and possession of the Leased Premises and continuing obligations. In no event shall Lender be personally liable as Landlord under the Lease, either by virtue of any assignment of the Lease, the exercise of any right thereunder or hereunder, the foreclosure of its lien on the Leased Premises, the acquisition of the Leased Premises or the collection of any rent under the Lease as owner or beneficiary under the Mortgage, and Tenant shall look solely to the real estate that is the subject of the Lease and to no other assets of Lender for satisfaction of any liability in respect of the Lease; but Tenant shall have reserved to it all other remedies available to it at law or in equity, against Landlord.

(b) That in the event Lender gains title to the Leased Premises and becomes substitute lessor, it is agreed that Lender may assign its interest as substitute lessor without notice to or the consent of Tenant or any other party hereto; provided, however, no such assignment shall be binding upon Tenant until written notice thereof is delivered to Tenant.

9. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Mortgage or any modifications, amendments, extensions or renewals thereof.

10. Tenant agrees that this Agreement satisfies any condition or requirement in the Lease relating to the granting of a non disturbance agreement.

11. Tenant covenants and acknowledges that, as of the date hereof, it has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Leased Premises or the Property or any portion thereof or any interest therein.

12. The foregoing provisions shall be self operative. However, Tenant agrees to execute and deliver to Lender, or any person to whom Tenant herein agrees to attorn, such other instrument which is reasonably necessary to effectuate such provisions provided such documents in no way diminish Tenant's rights or increases Tenant's obligations hereunder or under the Lease.

13. Tenant hereby represents and warrants to Lender that it has not subordinated the Lease or any of its rights under the Lease to any lien, mortgage, deed of trust or deed to secure debt prior to the date hereof and that it will not subordinate the Lease or the rights of the Lessee thereunder to any lien, mortgage, deed of trust or deed to secure debt other than the Mortgage without the prior written consent of Lender.

14. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto, or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their successors and assigns.

15. This Agreement may be signed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one agreement, binding on all of the parties hereto notwithstanding that all of the parties hereto are not signatories to the same counterpart. Each of the undersigned parties authorizes the assembly of one or more original copies of this Agreement through the combination of the several executed counterpart signature pages with one or more bodies of this Agreement, including the Exhibits, if any, to this Agreement. Each such compilation of this Agreement shall constitute one original of this Agreement.

16. Tenant agrees that the Mortgage and the note evidencing the indebtedness secured thereby may be increased, replaced, renewed, extended and/or modified from time to time by agreement between Landlord and Lender and Lender may exercise any one or more of its rights under the Mortgage from time to time at Lender's discretion, all without notice to or consent of Tenant, and this Agreement shall continue in full force and effect as to all such renewals, extensions and/or modifications and all such exercise of rights.

17. Any and all notices given in connection with this Agreement shall be deemed adequately given only if in writing and addressed to the party for whom such notices are intended at the address set forth below. All notices shall be sent by personal delivery, Federal Express or other overnight messenger service, first class registered or certified mail, postage prepaid, return receipt requested or by other means at least as fast and reliable as first class mail. A written notice shall be deemed to have been given to the recipient party on the earlier of (a) the date it shall be delivered to the address required by this Agreement; (b) the date delivery shall have been refused at the address required by this Agreement; or (c) with respect to notices sent by mail, the date as of which the postal service shall have indicated such notice to be undeliverable at the address required by this Agreement. Any and all notices referred to in this Agreement, or which either party desires to give to the other, shall be addressed as follows:

If to Landlord:

Attention: _____

With a copy to:

Attention: _____

If to Lender:

CORUS Bank, N.A.

Chicago, Illinois 606__
Attention: _____

If to Tenant:

Attention: _____

With copies to:

Attention: _____

Any party hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

The provisions of this Agreement shall bind, and inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

TENANT:

LENDER:

LANDLORD:

EXHIBIT G

JANITORIAL SPECIFICATIONS

A. DAILY (UNLESS OTHERWISE SPECIFIED)

Daily (Monday through Friday, inclusive, Saturdays, Sundays and Holidays excepted):

1. Entrance/Lobby Areas

- Outside entrances and landings will be swept, weather permitting.
- Glass entrance doors and side panels will be wiped clean inside and outside with window washing solution. Door hardware will be wiped clean of fingerprints and smudges.
- Entrance door thresholds and kick plates will be polished.
- Carpet will be thoroughly vacuumed. Carpets will be kept free of tar, gum, etc. Walk off mats will be free of dirt and/or hard surface floors will be damp mopped with clear water and a clean mop.
- Interior glass will be kept free of dust and smudges.
- Lobby planters or urns will be dusted.
- Cigarette urns will be emptied and wiped clean. Sand levels will be maintained.
- Any trash containers, sand urns emptied and cleaned. Trash removed to designated area, sand replaced as necessary.
- Areas around entrance will be policed for debris.
- Vertical surfaces will be dusted.

2. Kitchens/Snack Areas/Cafeteria

- Floors will be swept and wet mopped.
- Carpeted areas will be vacuumed.
- Counter tops and ledges up to 6 ft. will be wiped clean.
- Trash containers will be emptied and liners changed as needed.

3. Office Spaces

- Wastebaskets shall be emptied removing all paper and other materials from sides and bottom. Wastebaskets shall be periodically wiped clean with damp cloth. Plastic liners will be used and changed as required. Only trash in receptacles or near receptacles marked "trash" will be removed.
- Office furniture, baseboards will be dusted. Desks and surfaces where exposed will be dusted. Metal desks and glass desk-tops will be cleaned with a damp cloth. Cleaners will not disturb working papers on desks and table tops.
- Windowsills, frames, coat racks, bookshelves, files, tables, lamps and vents will be dusted using a treated cloth. Telephones will be wiped clean including dials and crevices. After chairs have been dusted, they will be returned to original position and not pushed under desks thus avoiding scratching arms of chairs and desks.
- Carpets in office spaces will be vacuumed paying close attention to corners. Hard to reach spots will be vacuumed using accessory tools. Caution will be given to traffic lanes. Carpets will be inspected for spots and stains and spot cleaned.
- Door handles will be wiped clean of fingerprints when cleaning personnel exit tenant spaces.
- Buff tile floor as needed to maintain shine.

4. Restrooms

- Restrooms, showers and lockers spaces will be maintained in a neat and clean condition at all times.

- Tile floors of restrooms will be swept clean and damp mopped with disinfectant solution. Floors around urinals, toilets, and under soap dispensers will be given special attention.
 - Toilets, sinks and urinals will be washed with a disinfectant solution. Toilet seats will be washed on both sides and at base. No rust or encrustations shall be left on inner rim of toilets. Toilet brushes will be used paying close attention to flush holes and passage traps.
 - Counter tops will be wiped clean. No watermarks will remain.
 - Mirrors, dispensers and other fixtures will be wiped clean. Stainless steel accessories will be wiped clean with stainless steel cleaner.
 - Trash receptacles will be emptied and trash removed to designated areas. Plastic liners will be used and changed as required.
 - Supplies such as toilet tissue, hand towels and hand soap will be monitored daily to ensure that supplies do not run low during regular working hours. The contractor will supply supplies for restrooms.
 - Restroom floors will be cleaned using a cleaner-disinfectant chemical to combat bacteria and maintain an overall level of cleanliness.
5. Fitness Center/Locker Rooms
- Carpeted areas will be thoroughly vacuumed.
 - Dust all exercise equipment, hanging fixtures, and fire extinguishers.
 - Baseboards will be dusted.
 - Areas around door handles and doorframes will be wiped clean.
 - Windowsills will be dusted.
 - Trash containers will be emptied and liners replaced.
 - Locker room floors shall be thoroughly vacuumed and damp mopped with a germicidal solution.
 - Mirrors shall be wiped clean.
 - Furnishings shall be dusted.
 - Showers and exercise equipment shall be cleaned with disinfectant solution.
6. Stairways/Landings
- Carpeted stairways will be vacuumed using accessory tools for hard to reach spots. Baseboards will be dusted.
 - Hard floor stairways will be swept twice weekly and mopped not less than twice per month.
 - Handrails will be wiped clean.
 - Landings will be vacuumed including baseboards
7. Hallways/Corridors
- All common corridors will be vacuumed.
 - Air vents and baseboards will be dusted.
 - Hanging wall fixtures such as fire extinguishers will be dusted.
 - All surfaces below 6 ft will be wiped clean of dust and dirt.
 - Vertical surfaces including wood paneling in executive areas will be dusted with a treated cloth.
8. Drinking Fountains
- Drinking fountains shall be maintained clean and free of stains and all metal parts shall be shined. Any leaks will be reported to the Building Engineer.
9. Elevators
- Stainless steel elevator doors will be wiped clean with stainless steel cleaner.
 - Ceilings will be dusted.
 - Elevator phone cabinets and phones will be wiped clean.
 - Elevator tracks shall be kept free of debris.
 - Elevator cab hard surface floors will be swept and mopped nightly, if present.

10. Loading Areas

- Loading areas shall be cleaned and free of trash, debris and foreign matter.
- Vinyl flooring will be swept/mopped nightly.

11. Parking Lot/Garage

- Parking lot and garage area will be policed for debris.
- Glass doors and windows will be kept clean of smudges.

12. Dumpsters

- Areas around dumpster shall be policed for debris.

B. WEEKLY

1. Restrooms tile, ceramic floors will be thoroughly cleaned with a mild cleaner with disinfectant to eliminate bacteria and rinsed.
2. Carpeted areas will be thoroughly vacuumed using accessory tools including baseboards and edge vacuum all carpeted areas.
3. All resilient/vinyl flooring will be spray buffed using a commercial polishing machine.
4. High dusting of all areas above 60" from floor.
5. Cleaners will be on the alert for cobwebs.
6. Walls, glass, partitions and doors will be wiped clean.
7. Elevator tracks will be cleaned and polished.
8. Upholstered office furniture and lobby furniture will be vacuumed.

C. MONTHLY

1. Air vents will be dusted and vacuumed when necessary.
2. Restroom floors will be machined-scrubbed with a neutral cleaner disinfectant. Excess dirt will be picked up with a wet vacuum. Floors will be rinsed with clean water to avoid streaks.
3. Elevator cab carpets will be shampooed/steam cleaned every two weeks, if present

D. QUARTERLY

1. Wall surfaces in main lobby and upper lobbies will be kept clean according to manufacturer's cleaning specifications.
2. Loading areas shall be cleaned of all debris.
3. Clean hanging light fixtures.

E. SEMI-ANNUALLY

1. Blinds will be thoroughly wiped clean in place.
2. Strip and wax tile floors and re-coat using a high-gloss slip resistant floor finish to restore shine.

EXHIBIT H
FORM OF TENANT ESTOPPEL

_____, 200__

CORUS Bank, N.A.

Re: Lease dated _____ by and between _____ and _____, LLC

Dear Sir/Madam:

As the present tenant under the Lease, a current and complete copy of which is annexed hereto as Exhibit A, the undersigned hereby represents to you that as of the date hereof (1) [except as otherwise specified on Exhibit _ attached hereto,] the lease constitutes the entire agreement between the undersigned and the landlord thereunder (the "Landlord") and has not been modified or amended, except as specifically set forth in Exhibit A, (2) [except as otherwise specified on Exhibit _ attached hereto,] the Lease is in full force and effect and the term thereof commenced on _____ (3) [except as otherwise specified on Exhibit _ attached hereto,] the premises demised under the Lease have been completed, the undersigned has taken possession of the same on a rent paying basis, and no right of termination exists under the Lease as a consequence of any unobtained certificate of occupancy, (4) [except as otherwise specified on Exhibit _ attached hereto,] to the knowledge of the undersigned, neither the undersigned nor Landlord, is in default under any of the terms, covenants or provisions of the Lease and the undersigned knows of no event which, but for the passage of time or the giving of notice, or both, would constitute an event of default under the Lease by the undersigned or the Landlord thereunder, (5) [except as otherwise specified on Exhibit _ attached hereto,] to the knowledge of the undersigned, neither the undersigned nor the Landlord has commenced any action or given or received any notice for the purpose of terminating the Lease, (6) [except as otherwise specified on Exhibit _ attached hereto,] to the knowledge of the undersigned, all rents, additional rents and other sums payable under the Lease, if any, have been paid in full and no rents, additional rents or other sums payable under the Lease, if any, have been paid in full and no rents, additional rents or other sums payable under the Lease have been paid for more than one (1) months in advance of the due dates thereof, (7) [except as otherwise specified on Exhibit _ attached hereto,] to the knowledge of the undersigned, there are no offsets or defenses to the payments of the rents, additional rents, or other sums payable under the Lease, (8) [except as otherwise specified on Exhibit _ attached hereto,] the undersigned has no option or right of first refusal to purchase the premises demised under the Lease or any portion thereof, (9) the undersigned has deposited the security deposit (if any) set forth in the lease with the Landlord and, (10) the undersigned recognizes that Lender and the Landlord are relying upon this estoppel certificate and the accuracy of the information contained herein, which estoppel certificate shall be binding upon the undersigned and, its successor and assigns, and shall inure to the benefit of the Lender, the Landlord and their respective successors and assigns.

TENANT: _____

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

EXHIBIT I

TENANT'S LOGO AND STYLIZED LETTERING

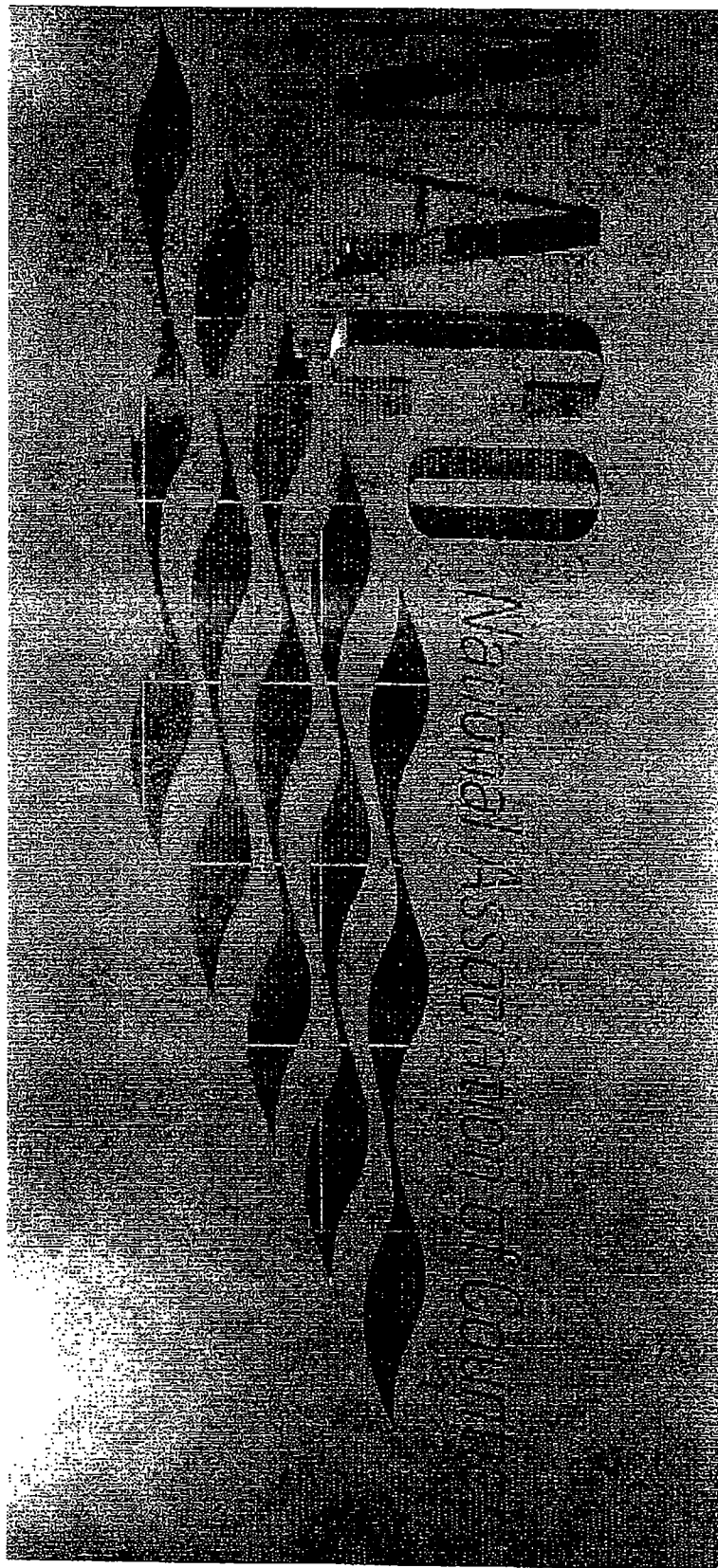


EXHIBIT J

TENANT'S EXISTING LEASE

Indenture of Lease dated June 18, 1990 by and between 440 First Street Limited Partnership and National Association of Counties

First Amendment to Indenture of Lease dated December 31, 1996 by and between 440 First Street Limited Partnership and National Association of Counties

25 MASSACHUSETTS AVENUE PROPERTY LLC

May 15, 2006

HAND-DELIVERED AND FEDEX OVERNIGHT MAIL

National Association of Counties
440 First Street, N.W.
Washington, D.C. 20001
Attn: Executive Director

Re: Republic Square – 25 Massachusetts Avenue, Washington, D.C.
NOTICE OF RELOCATION

Dear Sir:

Pursuant to that certain Office Lease Agreement (the "Lease") by and between 25 Massachusetts Avenue Property LLC, as "Landlord," and National Association of Counties, as "Tenant," dated May __, 2006, this letter shall serve as written notice of Landlord's election to relocate the Premises to the Relocation Premises on the fifth (5th) floor of the Building, subject to and in accordance with the terms and conditions of Section 2.2 of the Lease. Attached is a floor plan depicting the Relocation Premises. As configured on such floor plan, the Relocation Premises contains 35,095 square feet of rentable area.

Consistent with this relocation, please forward a revised space plan for Landlord consideration and approval. In order to maintain the current schedule for construction and delivery, please contact Geoff Azaroff and make the necessary arrangements for preparation of Tenant's Space Plan for the Relocation Premises as soon as possible. Said space plan, along with other considerations, shall be incorporated into an amendment to the Lease indicating the exact location and configuration of the Relocation Premises and associated revisions (if necessary) to the Lease and schedule specified in Exhibit B for the submission of working drawings for the construction of the Premises.

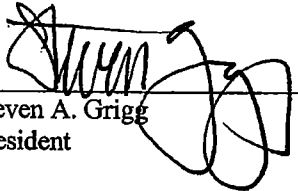
In addition, please forward an invoice for any additional out-of-pocket costs actually incurred by Tenant for increased design costs caused by the relocation of the Premises by June 30, 2006.

Should you have any questions regarding this notice, please contact Peter Cole.

Sincerely,

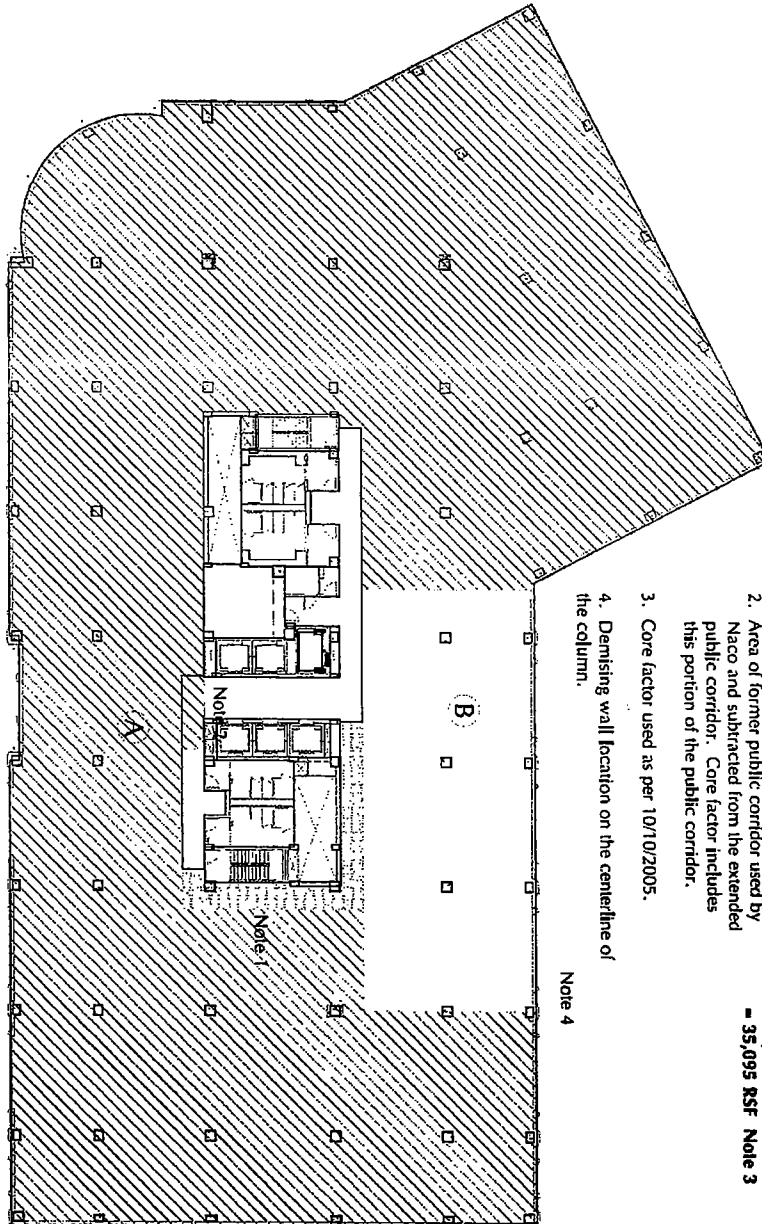
25 MASSACHUSETTS AVENUE PROPERTY LLC

By: _____


Steven A. Grigg
President

cc: Peter Cole
Geoff Azaroff
Gary R. Siegel
Joseph Michel (via email)
Anne Planning, Esq. (via email)

25 MASSACHUSETTS AVE, N.W. WASHINGTON, DC	NACO FLOOR 5 OPTION 3	LEO A DALY ARCHITECTS 1110 15th Street, N.W. Washington, DC 20005	REPUBLIC SQUARE 25 MASSACHUSETTS AVE, N.W. WASHINGTON, DC 20001	PROJECT NUMBER: 05-02403-004 SCALE: NTS 081206
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Comments:
1. Area of extended public corridor used by NACO (shown by hatched lines)

2. Area of former public corridor used by NACO and subtracted from the extended public corridor. Core factor includes this portion of the public corridor.

3. Core factor used as per 10/10/2005.

4. Denising wall location on the centerline of the column.

Note 4

NACO TENANT-A
+ 29,343,4453 USF
+ 489 USF Note 1
- 95 USF Note 2
= 29,737,445 USF
= 35,095 RSF Note 3

AVAILABLE TENANT-B
+ 4,227,1071 USF
= 4,988,6147 RSF Note 3

EXHIBIT C

Construction Cost Schedule

Construction Costs Shared with LA County, Walters Company and NACE

		Sq ft	Forecast	Per Sq	31,773	1,597	1,228	797
Contracted In Red		to share	Costs	Foot	NACo	Walters Co.	La County	NACE
Landlord Allowance for Buildout		35,395	(\$2,022,505)	(\$57.14)	(\$1,815,540.37)	(\$91,254.15)	(\$70,169.12)	(\$45,541.36)
Construction (Cokely and Williams; managed by Republic)								
Coakley	Build out per contract	35,395	\$2,002,000	\$56.56	\$1,797,133.66	\$90,328.97	\$69,457.72	\$45,079.64
Republic	Construction Admin (2% of build allowance)	35,395	\$40,450	\$1.14	\$36,310.81	\$1,825.08	\$1,403.38	\$910.83
Coakley	Construction change for HVAC design	35,395	\$55,527	\$1.57	\$49,844.88	\$2,505.34	\$1,926.46	\$1,250.32
Coakley	Lobby and Public corridor	35,395	\$48,300	\$1.36	\$43,357.42	\$2,179.27	\$1,675.73	\$1,087.59
Republic	Reimbursement for lobby & corridor (estimate)	35,395	(\$33,000)	(\$0.93)	(\$29,623.08)	(\$1,488.94)	(\$1,144.91)	(\$743.07)
net 100	Computer cabling (LAC&NACE)	34,014	\$76,978	\$2.26	\$71,906.33	\$0.00	\$2,779.12	\$1,803.71
net 100	DMARC Extension for Verizon (LAC&NACE)	34,014	\$1,789	\$0.05	\$1,671.13	\$0.00	\$64.59	\$41.92
DCS	Architect	35,395	\$179,085	\$5.06	\$160,759.26	\$8,080.21	\$6,213.21	\$4,032.52
Coakley	Change Orders		\$49,900		\$45,000.00		\$4,900.00	
Total Estimated Additional Cost			\$398,524	\$10	\$360,820	\$12,176	\$17,106	\$7,922

Each affiliate also responsible for any change orders from contract date within their leased premises

a- Change orders for LA County through Nov 30, 2006 include 1) slab to slab walls, 2) carpet upgrade, 3) outlet changes, 4) upgrade on interior doors from paint grade to stain grade

b- Change orders for NACo are estimated.

c- Change orders for NACE and Walters are unknown

Buildout allowance provided at \$57.50 per square foot

Costs that everyone shares are charged based on the square footage of each company.

Square foot column shows the sq feet for sharing

Computer cabling and DMARC extension costs will be billed to LA County through their computer contract with NACo

Estimate as of November 30, 2006